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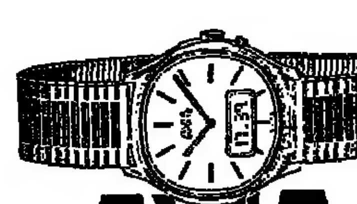

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NEWS SUMMARY

GENERAL

Khomeini backs Iran paralysis

Ayatollah Khomeini has called on Iran's state employees to reinforce the country's paralysis and bring down the Government.

On his first day back in Iran after 14 years in exile, the Ayatollah immediately began to direct the final stages of the revolution that has forced the Shah to leave.

He told thousands of adoring followers that it was forbidden to obey the Government, and that it was hostile propaganda that the people would not be free under an Islamic government. Back Page

Vicious dead

Punk rock star Sid Vicious has been found dead in New York one day after leaving jail. Police said he died from an accidental overdose of heroin.

Vicious, 21, was on bail awaiting trial for the murder of his girlfriend, Nancy Spungen. He was found dead in the Greenwich Village flat of his latest girlfriend, Michelle Robinson.

Vote pledge

The South African Government will introduce legislation this year to give the vote to coloured people and Indians, President John Vorster said. A date would be fixed as soon as possible for a general election.

Checks stopped

Home Secretary Merlyn Rees has banned tests on immigrant women to find out if they have borne children. The announcement follows reports that an Indian schoolteacher had a "virginity check" at Heathrow airport last week. The Indian Government has protested at the incident.

Cheap fares ban

British Airways is to withdraw cheap travel concessions from staff who take part in unofficial strikes. The 58,000 employees and their close relatives can fly for 10 per cent of the normal fare if seats are available. Page 4

Sithole claim

Chairman of Rhodesia's Executive Council, the Rev. Ndabaningi Sithole, claimed that a UK Tory Government would recognise Rhodesia after the one-man, one-vote elections in April. He has just returned from a 10-day visit to Britain.

Arms charge

Two Irishmen were arrested on the Greek border with Turkey, and charged with smuggling arms and ammunition into Greece.

Liberal strategy

Liberal MPs will next week unveil their likely election strategy when they begin a five-week tour of the country. The tour is aimed at restoring party morale, and re-establishing the party as a serious force in politics. Page 3

Final tribute

Representatives from 44 countries and many U.S. politicians joined President Jimmy Carter in a final tribute to Nelson Rockefeller in Manhattan. The former Vice-President died last week.

Briefly . . .

Heavy snow has hit the North again, and black ice and flooding have caused chaos in the Midlands and East Anglia.

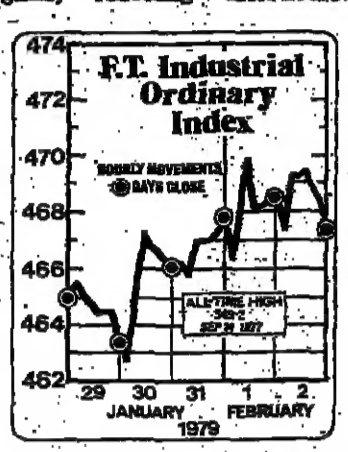
Two young children were stabbed to death and a third badly injured at their home in Willesden, North London. Scotland Yard said a woman was being questioned.

Former England football manager Don Revie is to ask the High Court to set aside his 10-year suspension from English football imposed in December.

BUSINESS

Equities fall 1.2; U.S. gold up $7.60

● EQUITIES traded mainly in secondary shares but lost early gains, reflecting after-hours



news of the strike threat at BL Cars. The FT ordinary share index was 1.2 lower at 467.3, but was up 2.3 on the week.

● GILTS continued uneasy, being further unsettled by this week's Treasury bill rate rise. Longs showed losses of up to ½ and shorts up to ¼. The Government Securities index fell 0.24 to 65.80.

● STERLING traded steadily and closed 10 points lower at $1.9800. Its trade-weighted index remained at 63.4. The dollar lost early gains and its depreciation widened to 7.6 (7.5) per cent.

● GOLD rose $1¼ to $231¾ in London. In New York Comex gold February settlement was up $7.60 at $390.90, while silver gained 18.10 at 688.90.

● WALL STREET [illegible] lower at 834.63.

● CANADIAN DOLLAR touched its lowest level since 1933 this week and the Bank of Canada governor has been asked by parliament to explain the continuing decline. Page 2

● OFFICIAL RESERVES showed an underlying rise of £75m in January, highlighting the strength of sterling in spite of renewed fears about inflationary pressures. Back Page

● U.S. COURT has recommended that Wiscope SA, a Swiss-based commodities futures trading subsidiary of Guinness Peat, should be barred from trading on U.S. exchanges. Back Page

● KIRKBY Manufacturing and Engineering workers' co-operative, of Merseyside, hopes to attract support from overseas following the Government's rejection of a further £6m aid application. Page 3

● FERRANTI, the electronics group controlled by the National Enterprise Board, has agreed to sell its Canadian subsidiary, Ferranti Packard, to Northern Engineering Industries for £7.6m. Page 3

● COUNCIL for the Securities Industry, the independent City "watchdog" is to consider taking a role in the enforcement of accounting standards. Page 3

COMPANIES

● HARDY (FURNISHERS) has cut pre-tax losses from £864,000 to £240,000 for the 28 weeks to October 14. Turnover rose from £15.99m to £19.95m. Page 20

● HIRST AND MALLINSON saw pre-tax profits rise 35 per cent to £445,100 for the year to October 28, after second-half profits increased to £320,000 (£113,400). Page 20

● COMINCO, the Canadian metals and mining group, increased net earnings for the fourth quarter to C$63m (£26.5m), a rise of C$800,000. Page 21

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES:		
AGB Research	148	+ 9
Alcan Aluminium	154	+ 8
BB & EA	56	+ 6
Bibby (J.)	295	+ 10
British Aluminium	885	+ 20
British Enkalon	22	+ 3
Caledonian Hldgs.	88	+ 5
Centrovincial Ests.	97	+ 5
Dixon (D.)	150	+ 4
Dowty	269	+ 9
Eurotherm	248	+ 8
Ferranti	372	+ 12
Glanfield Lawrence	56	+ 6
Greaterman Stores	185	+ 17
Intercuropn. Props.	52	+ 4
Intl. Thomson	237	+ 12
Ladbroke	179	+ 6
Magnet & Southerns	140	+ 5
Manders	106	+ 5
Marshall's Universal	148	+ 12
McKay Secs.	115	+ 10
Mountview Ests.	106	+ 5
Regional Props.	88	+ 7
Smith (W. H.) A	146	+ 5
Standard Chartered	462	+ 14
Unitech	181	+ 8
Yarrow	345	+ 8
BP	926	+ 12
General Mining	450	+ 20
M.I.M. Hldgs.	275	+ 8
North Broken Hill	137	+ 9
Roan Cons. Mines	100	+ 7
Sabina Inds.	58	+ 10
FALLS:		
Treas. 9½pc 1983	£85 1/16	− ¼
Treas. 13½pc 1993	£99¾	− ½
Brown & Jackson	270	− 10
Guinness Peat	115	− 4
Moran (C.)	45	− 6
Newmark (L.)	203	− 12
Sotheby P.B.	357	− 6

Water workers' employers pledge to improve offer

BY PHILIP BASSETT and NICK GARNETT

Water employers made it clear last night that they were prepared next week to improve their 13.9 per cent pay offer to the industry's 33,000 manual workers.

Pay negotiations were adjourned last night without the oqer being increased, despite a threat from leaders of 10,000 National Union of Public Employee workers in the industry to strike next week if it was not improved.

Negotiations will resume on Monday. Sir Robert Marshall, chairman of the employers' side of the National Water Council which represents nine regional water authorities, would not indicate by how much the offer was likely to be improved.

Water workers are already taking unofficial action in Liverpool, the North-West, parts of South Yorkshire and Leeds.

NUPE said yesterday that the 13.9 per cent offer had been rejected in a ballot by 91.1 per cent of its waterworker members. The result is in line with similar rejections by water workers in the other two unions in the industry, the dominant General and Municipal Workers' Union and the Transport and General Workers' Union.

Mr. Reg Pace, a NUPE official, said the union's members would be looking for the "going rate" in the private and some parts of the public sectors, which he estimated at 15 per cent.

In the local authority dispute, employers and union officials will meet on Wednesday, but Mr. Roy Hattersley, Prices Secretary re-emphasised yesterday that the Government would not consider funding any offer above 8.8 per cent, which is already above the limit allowed by its pay policy.

Officials of the four unions involved in the public sector disputes met yesterday and are to sanction strikes by more than 10,000 workers next week.

The main impact of industrial action, however, has been caused by overtime bans and work to rules. The Department of Health said yesterday that the position had worsened and it was becoming increasingly difficult to find beds for admissions.

Hattersley rules out more than 8.8 per cent for council workers, Page 3
British Airways to stop unofficial strikers' cheap travel, Page 4
York Trailer claims damages, Back Page

The position was particularly serious in London, where ancillary workers in a number of hospitals have decided to strike over the weekend and next week. These include St. Mary's Hospital, Paddington, where ancillary workers belonging to the National Union of Public Employees voted for a three-day strike from midnight tomorrow.

More than 800 schools have been completely or partially closed by industrial action, with Tyneside badly hit.

Mr. Charles Donnet, General and Municipal Workers' Union national officer and chief union negotiator for the local authority manual workers, said after yesterday's joint union meeting that the union's guidelines on industrial action were now being issued widely down the line to local union officials.

They are designed to try to ensure that the dispute does not interfere with genuine emergencies in the health service nor hamper certain types of work in schools and other institutions.

John Elliott writes: A steady stream of pay settlements giving rises well in excess of the Government's original 5 per cent limit was reported last night by the Confederation of British Industry's pay data bank.

Of 686 company and public sector deals covering 400,000 workers, analysed in detail by the confederation, 29 per cent of the workers have basic rises in excess of 10 per cent. Just over 60 per cent have accepted 5 per cent or less but two-fifths of them have also agreed productivity deals adding an average of 5 per cent more.

In all, the data bank has been notified of 719 deals covering 1.8m employees.

BP to cut crude oil supplies by 45%

BY KEVIN DONE, ENERGY CORRESPONDENT

British Petroleum is cutting crude oil supplies to all its customers by 45 per cent in the first three months this year, because of the worsening state of world oil markets.

BP, which normally takes up to 40 per cent of its crude oil supplies from Iran, warned customers four weeks ago that it was cutting supplies by 30 to 35 per cent in the first quarter.

It has now been forced to impose an even greater reduction in supplies, partly because of its apparent inability to replace the lost Iranian production from other sources, and partly because of the mounting uncertainty over how long the turmoil in Iran will last.

The final cargo of crude oil to be exported from Iran left the Gulf on December 26. It has taken several weeks for the effect of the total shut-down of Iranian exports to work its way through the supply system. But according to oil traders in London last night the spot market for crude oil and for refined products has been overtaken by panic-buying.

The spot markets only account for a small percentage of overall world crude oil trade. But there is a growing fear that if spot prices continue the dramatic rise of the last two days, the OPEC countires could respond by introducing further crude oil price increases in the near future.

Crude prices are already set to rise by 14.5 per cent by the beginning of October, bringing the price of Arab light crude, the marker for other crude oil prices up to $14.54 a barrel. A 5 per cent first stage increase was introduced on January 1 bringing Arab light up to $13.34 a barrel.

The spot crude market has been virtually wiped out because of the lack of available supplies, but traders in London reported last night that a cargo of Arab light could now command prices well in excess of $20, a premium of as much as $7 over official OPEC prices.

A part cargo was apparently sold in Rotterdam at a delivered price of $23. A cargo of Iraqi Bahrah light, with an official price of $13.29 was offered for sale for the second half of February at $22.00. A U.S. independent oil company was reported to have emerged as a potential buyer yesterday afternoon, but by then the asking price had risen to $25.00.

Spot prices for oil products have also risen dramatically. The sale of a cargo of premium petrol was reported in Rotterdam on Wednesday at $235 a tonne. Yesterday a trading company reported the sale of two barge cargoes at $302.50.

Treasury bill tender rate up

BY PETER RIDDELL

UPWARD pressure on short-term interest rates was maintained yesterday with a further sharp rise in rates at the weekly Treasury bill tender.

The authorities show no signs—for the moment at least—of shifting from their stance of waiting to see what happens on the pay front while meanwhile keeping Minimum Lending Rate unchanged at 12½ per cent.

But the Money market pressures are increasing. The average rate at yesterday's tender rose by 0.409 to 12.496 per cent. This would have meant an MLR of 13 per cent under the market-related formula abandoned last June.

This rate means the true yield on bills is high enough to allow discount houses to finance their books profitably by borrowing from the Bank of England at MLR. The authorities are hopeful that the houses will not abuse this position and the Bank could take action if necessary. MLR is only a minimum rate.

But this may mean only a postponement of a rise in short-term rates. The clearing banks face pressure to increase their base lending rates because of the rise in the cost of their money market funds, but they may be reluctant to make changes ahead of the announcement in the middle of this month of big profit increases for 1978.

Prices of gilt-edged stock fell again yesterday—to their lowest level since March 1977—with declines of ½ a point on longer-dated issues.

The Government is reluctant to alter its policy while there is uncertainty both about the level of pay rises and about the possible impact on public sector borrowing and the economy generally. The authorities presumably want to take stock of the overall fiscal and monetary prospects later on, rather than take premature, and possibly wasted, action now.

Moreover, there is no immediate external pressure in view of the stability of sterling. The City will watch closely to see if the mid-January banking figures indicate any change in domestic monetary influences.

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FEATURES

For latest Share Index 'phone 01-246 8026

Threat of total strike at BL Cars

By Arthur Smith, Midlands Correspondent

BL CARS union leaders are recommending a total strike by the company's 100,000 manual workers from next Friday—a stoppage which both sides agree could be "disastrous" for the State-owned concern.

The action, agreed in Coventry yesterday by the trades union side of the national joint negotiating committee, is in protest at the company's refusal to go ahead with parity payments worth up to £10 a week to some workers.

Management maintains that such awards must be self-financing. Poor output in the last three months, because of internal disputes and the lorry drivers' strike, meant the company could not afford to make payments scheduled for this month but backdated to November 1.

High output in the next two months might make it possible to pay the money from January, the company said.

Mr. Grenville Hawley, automotive secretary for the Transport and General Workers' Union, maintained that workers who had voted by a 2—1 majority last December to accept a total package worth up to 16 per cent, had been "misled." They would not have settled for the straight 5 per cent now being offered.

The company had reneged on the deal, he said. For their part, the workers had increased output, improved productivity in some areas, and allowed 7,000 redundancies.

Mr. Hawley was convinced the Government was not fully aware of developments at BL. The unions would make representations to Ministers and the National Enterprise Board, the group's controlling shareholder.

The likelihood of agreement between the two sides being found over the next week appears remote. The main hope of management must be that support from the workforce for a stoppage at this time will not be complete. There is a belief that the shop floor attitudes have changed and employees realise that strikes will put the company at risk and cut jobs.

A meeting of senior shop stewards, planned for Monday, is likely to endorse the strike call. Low-paid factories, such as Longbridge, Birmingham, where many of the 20,000 workers would have gained increases of up to £14 a week from the package, are expected to be sympathetic to action.

But even at the well-paid plants of Rover, shop stewards

Continued on Back Page

Dutch £50m offer rejected

Battle grows for English Property

BY MICHAEL CASSELL

THE FIGHT for control of English Property Corporation was stepped up yesterday when Wereldhave, the Dutch property group, made a revised £50.2m cash offer for the company.

The board of EPC met last night, at the end of a day of hectic activity, and rejected the Dutch offer. Mr. Stanley Honeyman, chief executive, said the bid was "simply not enough" and that his directors were prepared to sit and consider any offer "in the light of our shareholders' best interests."

But Wereldhave said that its 46p a share bid—compared to its original offer of 37p—had been accepted by Eagle Star, which holds 27.2 per cent of EPC's equity and which earlier in the day had its own 44p a share offer rejected by EPC.

Announcing its decision to turn down the Eagle Star proposals, which were "inadequate in amount," EPC said the terms demonstrated the "total inadequacy" of the original Wereldhave offer.

Basis

In yet another development yesterday—a day in which EPC shares were suspended until Monday at 44p—the company revealed that it was having talks with Olympia and York Developments of Canada, to establish whether there was a basis on which an offer could be made for the UK group.

Last night, Rothschilds, the merchant bank acting on behalf of Olympia — probably the largest privately-owned property company in Canada—said it was proceeding with its examination of EPC's figures but that it was too early to say whether a bid might follow.

This weekend, EPC is sending out to its shareholders a set of draft accounts to the end of October 1978, containing the long-awaited property revaluations and inevitably due to be used to justify the board's rejection of all offers so far.

Eagle Star submitted its proposals for a cash offer to EPC earlier in the week and asked the Board to reply to its initiative by noon yesterday.

The insurance company said last night that although its own offer had lapsed as a result of the EPC rejection, it was prepared to accept the Dutch offer for its EPC shares "in the absence of any improved offers during the currency of the revised offers by Wereldhave."

It pointed out that Sir Denis Mountain, chairman of Eagle Star, and Mr. F. A. Davies, deputy chief general manager of Eagle Star, both of whom are also directors of EPC, will continue to take no part in the deliberations until the final outcome is known.

Wereldhave, the largest independent international real estate investment group in Holland, said that it had been able to increase its bid as a result of the sale by EPC last month of a Nice development for £5.5m, resulting in a book profit of about £4.8m.

Revised

Under the revised terms, Wereldhave is offering 46p cash for each ordinary share (conditional upon 90 per cent acceptance) 92p cash for each preference share and £107.64 cash for the 6½ per cent Convertible Unsecured Loan Stock.

Olympia and York's interest in EPC stems from the UK group's half-share in its Canadian-based Trizec associate. The other half is owned by the Brofman property family, which itself cannot be ruled out as a potential bidder.

Olympia currently owns about 35m square feet of property in Canada and North America, including Toronto and Calgary. Its American activities extend only to New York, where it purchased a portfolio of seven buildings in 1977. So far, the company has no investments in Europe.

Rothschilds said last night that as Olympia was a private company it was not at this stage disclosing any financial information. He said the company's approach to EPC was first made last week and that it would take a week or ten days before it had assembled and evaluated all the necessary information.

Asked if talks with Olympia would now continue, Mr. Honeyman said he preferred not to comment on anything other than his board's rejection of the Eagle Star bid.

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£ in New York

—	Feb. 2	Previous
Spot	$1.979-980	$1.9825-9830
1 month	0.55-0.50 dis	0.48-0.44 dis
3 months	1.65-1.60 dis	1.52-1.48 dis
12 months	5.00-4.85 dis	4.80-4.60 dis

OVERSEAS NEWS

The U.S. wants to woo China without alienating Russia

Carter keeps his balance

BY COLINA MacDOUGALL IN WASHINGTON

DURING THREE days of talks with the Chinese vice-premier Deng Xiaoping (Teng Hsiao-ping), President Carter seems to have pulled off a balancing act between Peking and Moscow. In spite of Mr. Deng's pressure to endorse the Chinese view of the Soviets as "hegemonists" bent on world domination, the President politely and publicly disassociated the U.S. from it, pointing out on Wednesday that "obviously the security concerns" of the two countries did not coincide. The Chinese seem tacitly to have accepted this.

With a visit from the Soviet President Mr. Leonid Breshnev pending, this refusal to be swayed ought to soothe Moscow's anxiety about a possibly anti-Soviet U.S.-China axis.

While that was obviously important, the most immediately productive event of the week may turn out to have been vice-premier Deng's visit to Congress last Tuesday. The growing concern among liberal Congressmen over the withdrawal of U.S. recognition from Taiwan has been considerably allayed as a result. Perhaps most usefully, the Chinese vice-premier may have taken away with him a better idea of President Carter's problems with Congress in completing the switch of relations to Peking.

Mr. Deng's remarks to Congressmen to the effect that China was seeking the peaceful reunification of Taiwan mollified the middle-of-the-roaders, who were not so much hostile to China as concerned about a long-standing ally. The vice-premier's measured and diplomatic reply impressed both the Republicans and Democrats to an extent that seems certain to smooth the path to much closer bilateral relations.

The vice-premier scored a major point in securing an admission from Senator Jackson that China's emigration rate allowed it to qualify for most favoured nation treatment. The Jackson-Vanik amendment to the 1974 Trade Act withholds most favoured nation treatment from countries that restrict emigration. This could raise a problem. MFN is denied to the Soviet Union, and if China alone were conceded it, the President's "even-handed" treatment of the two Communist giants might look less credible.

Mr. Deng's implied assurances that Taiwan would keep its autonomy, its political and social system, its defence equipment, and its foreign relations if it would simply acknowledge Peking as China's capital calmed considerable Congressional alarm. This improved atmosphere will be vital to ensure the safe passage of legislation to provide the framework for future U.S. relations with both Peking and Taiwan.

Congress has to authorise the establishment of an American Institute in Taiwan which will replace the embassy and perform all its functions so as to retain the link between the two countries. It will be staffed entirely by retired foreign service officers.

Following that will come assorted trade legislation on questions like MFN and Exim-bank financing. The U.S. Secretary of Commerce, Mrs. Juanita Kreps, is to go to Peking in April to discuss a trade agreement which will be tied in closely with these other matters. Unless these matters get Congressional approval, Sino-U.S. trade could be seriously affected. Without MFN China will find it difficult to increase its exports significantly, and without Exim-bank financing at rates similar to those offered by ECGD, American businessmen will not be able to compete with Japanese and Europeans who are already discussing huge deals with Peking for capital equipment.

There is some uneasiness that increased Chinese exports to the U.S. could mean a deluge of low cost textiles or shoes. Peking would probably accept some kind of quota system with reasonable grace to keep the new relationship running smoothly.

On the debit side, Mr. Deng may have heightened two of President Carter's problems. One is the question of the proposed SALT agreement, which, if and when it is tabled, will require a two-thirds majority in the Senate to ratify it. If Mr. Deng succeeded in communicating Peking's distrust of Moscow to Congress, he might just swing the balance in what is already an uncertain situation.

The other is China's embarrassing support for the guerillas in Cambodia and the sabre-rattling of the last few days on the Vietnam-China border. If Chinese troops were to cross it, the Sino-American honeymoon would be seriously blighted. The vice-premier publicly declared Chinese support for the guerillas during his Washington stay, and he hinted that Peking's thinking on further action was still pretty fluid.

The vice-premier had a rendezvous with Prince Sihanouk, former leader of Cambodia, on his last night in the U.S. capital which suggests the Chinese are keeping open as many options as possible. This is perhaps the wisest attitude since a new relationship with the U.S. and the West in general is currently the foundation of their foreign policy and modernisation programme.

Russia warns West against joining 'anti-Soviet policy'

BY ANTHONY ROBINSON, EAST EUROPEAN CORRESPONDENT, IN MOSCOW

SOVIET FEARS that normalisation of relations between the U.S. and China would be followed by Chinese attempts to influence American opinion in an anti-Soviet direction have been confirmed by Mr. Deng Xiaoping, the Chinese Deputy Premier's call in Washington for a united front against the Soviet "polar bear."

Mr. Georgi Arbatov, Director of the U.S.-Canada Institute, told the Financial Times yesterday that "we were originally assured that normalisation would be a sound process, a stabilising factor in the world which would help to involve China in the international community and the process of detente. Now we have the visit which shows to the contrary that the Chinese are trying to involve the U.S. and the West in an anti-Soviet policy."

While admitting that Mr. Deng Xiaoping had said nothing essentially new Mr. Arbatov said that the point was that there was no precedent that he could recall for such a high ranking official guest to take the opportunity of an official visit to Washington "to wage such a heated campaign against a third country—in this case the Soviet Union."

Mr. Arbatov, believed to be a top foreign policy adviser to the Soviet leadership, said that Mr. Xiaopings' suggestion that the U.S. and China had common strategic interests raised all sorts of questions.

"All the talks on arms limitation will become an Alice in Wonderland enterprise if the West simply agrees to lower ceilings in some part of the globe and then channel arms and beefs up forces elsewhere," he said.

What we have seen from Mr. Deng Xiaoping, he added, is "a very definite attempt to outline to the West plans of a military-political alliance and to pump up the importance of China itself in such an alliance."

He warned, however, that "if relations between the West and China grow into a military-political alliance directed against the Soviet Union we would have to reconsider the whole political situation. It would create a new picture of the intentions of the Western powers and the whole political framework would become more and more a structure of war waging capabilities, of the use of or at least the threat of use of military force. This would hardly leave the place for the sort of understandings which led to detente. . . ."

Record decline of Canadian dollar sparks political row

BY JIM RUSK IN TORONTO

THE CANADIAN dollar has been pushed to its lowest level in nearly 50 years in recent currency trading. During Thursday's trading on the North American inter-bank wholesale market, the currency touched 83.2 U.S. cents, the lowest level since early 1933. The dollar took its sharpest tumble on Wednesday when, despite heavy intervention by the Bank of Canada, it fell to 83.38 U.S. cents from 83.7 cents the day before. Trading was lighter on Thursday and the close was off only slightly 83.35 U.S. cents.

Mr. Gerald Bouey, Governor of the Bank of Canada, has been called to appear before the Commons Finance Committee to try to explain the dollar's weakness while for three consecutive days in the Commons this week the Progressive Conservative opposition leader Mr. Joe Clark has spearheaded demands that the Government empower the Finance Committee to conduct an inquiry into the dollar's weakness.

The mid-week weakness was attributed to fears that Canada might resort to currency controls in an attempt to relieve pressure. However Canadian Finance Department officials have tried to allay fears of controls by granting Press interviwes in which they claim the controls would be a bureaucratic nightmare that would likely be unworkable in an economy as open as Canada's.

The other factor touching off the current round of selling has been the report that the 1978 trade surplus was C\$3.52bn a level well below the forecast of both the Federal Government and many business economists. Estimates of Canada's current payments deficit for 1978 are now running at C\$4.5bn.

Traders are also looking closely at Canadian Government moves to borrow currency in foreign markets to bolster the dollar and some are starting to draw pessimistic conclusions about the effect on Canada's balance of payments deficit of the cost of these massive borrowings.

Furthermore a quick recovery in the exchange rate is not expected as it will be difficult for Canada to improve its merchandise trade surplus because of the weakness forecast for the U.S. economy this year.

A bitter and rancorous exchange occurred on Thursday in the House as the Prime Minister Mr. Trudeau and Mr. Clark clashed over the Opposition request for an inquiry. Mr. Trudeau rejected the demand despite the fact that the Opposition leader had a letter from Mr. Bob Kaplan, the Liberal Chairman of the Finance Committee, agreeing that the Governor should be summoned.

Sig. Enrico Berlinguer, the Italian Communist Party leader, after talks yesterday with President Pertini.

Barre sticks to his economic guns

BY ROBERT MAUTHNER IN PARIS

M. RAYMOND BARRE, France's Prime Minister, undeterred by the mounting wave of demonstrations in Eastern and Norhtern France against the closure of steel plants, yesterday reiterated that he had no intention of modifying the Government's austerity policies

M. Barre implicitly rejected the urgent calls by M. Jacques Chirac, the Gaullist Party leader, and M. Francois Mitterrand, the Socialist leader, for expansionary measures to mop up the increasing numbers of unemployed, now exceeding 1.3m.

M. Chirac has warned the Government that unemployment had reached dramatic proportions, and that there was no prospect for an improvement.

The Prime Minister, however, remains calm. This year would be decisive for the recovery of the French economy, which had already made substantial progress over the past two years, he said. But the economy remained vulnerable as long as industrial structures and the attitudes of workers and management were not adapted to modern conditions.

Stressing that the fight against inflation remained a Government priority, M. Barre confirmed that, for the third year running, the authorities intended to limit wage rises to increases in the cost-of-living index. This would keep wage increases to less than 10 per cent, given that prices this year are expected to rise by at least 8 per cent.

The Prime Minister also emphasised that the Government was determined to continue its policy of industrial restructuring, to give France a modern and profitable industry which would be fully comeptitive on world markets.

The freeing of industrial prices, begun in spring last year, was irreversible, he said, but to prevent this policy from giving a new twist to the inflationary spiral, the Government would defend the franc on the exchange markets, maintain ceilings for the money supply, and ensure there was a competitive industrial climate.

The Prime Minister admitted that the high level of unemployment was the biggest blot on the economy. But, although the Government had already taken extensive measures to combat unemployment, it would not resort to "any old policies."

M. Barre specifically ruled out any substantial reflationary measures for the moment, nor was he prepared to envisage a postponement of industrial restructuring or the creation of what he described as "artificial" jobs.

Moscow missile test threat to SALT

BY DAVID BUCHAN IN WASHINGTON

THE SOVIET UNION is reported to have conducted several long range tests of its own cruise missiles. U.S. officials, who believe the Russians may have used their backfire bomber to launch the missiles, say the development could have serious implications for the strategic arms talks (SALT).

Mr. Harold Brown, the U.S. Defence Secretary, earlier this week, told a Congressional committee that if the Backfire were armed with long-range missiles, it would have to come under the ceilings on strategic weapons that have so far been agreed in the SALT 2 negotiations.

The Backfire's role is still an issue at dispute between the U.S. and the Soviet Union. If reports of its use in launching long range Cruise missiles are confirmed, they will confirm sceptism about the proposed SALT 2 treaty in Congress, which this week was treated to warnings from the Chinese Vice Premier, Mr. Deng Xiaoping, about the folly of relying on agreements with the Soviets.

Cold weather boosts W. German jobless

By Adrian Dicks in Bonn

UNEMPLOYMENT IN West Germany rose sharply in January as a result of the uninterrupted hard winter weather that brought construction and other outdoor activities to a halt throughout the month.

The total number of people out of work jumped by 164,000 to 1.17m, while the unemployment rate rose to 5.1 per cent from 4.4 per cent in December.

Despite the very large rise in the unemployment total, Herr Josef Stingl, head of the Federal Labour Office, insisted that the figures continue to point to a further upward trend in economic activity. He said that although the number of unemployed in the building industry had nearly doubled from December to January, to reach some 90,000, it was still 8,300 fewer than in January 1978. Total unemployment was also some 42,000 lower than it had been a year before.

Yet another measure of the continuing strength of the economy came from the further increase of 15,000 to a new total of 237,700 in the number of vacancies—over 33,000 more than in January 1978.

Meanwhile the number of people on short-time working was up by some 8,200

For 1979 as a whole, the Economics Ministry has forecast average monthly unemployment of 4 per cent, or well under 1m. If Herr Stingl's interpretation of the January figures is correct, this should not be too difficult to achieve as soon as the economy has recovered from the prolonged effects of ice, snow and freezing cold.

Spanish unions begin a series of bank strikes

BY ROBERT GRAHAM IN MADRID

THE SPANISH banking system faces serious disruption if not complete paralysis today as a result of a strike called by the main trade unions in pursuit of a new wage and working conditions agreement. The unions anticipate that some 90 per cent of bank employees will observe the strike call, especially in the large banks, while management is intending to operate a skeleton executive staff to deal with cash requirements of clients.

The strike is the first in a series of six planned over the next 11 days. The other days planned are February 7, 8, 12, 13 and 14. In anticipation of the strike, banks have taken extra security precautions against robberies. The association of Spanish Private Banks is offering an initial 13 per cent average increase.

The association has indicated it will offer up to the 14 per cent Government-imposed ceiling if the unions accept a change in banking hours that permits nine to five opening hours five days a week instead of the existing nine to two six day a week.

Negotiations between the two sides have not been broken off, and it is possible tha some of the further planned strikes will be called off once the effectiveness of today's strike has been measured.

Elsewhere in Spain strikes continued to be widespread. Important differences are still preventing a settlement in the engineering strikes that have affected the provinces of Madrid, Navarre and Vizcaya all this week.

Italian deadlock remains

By Paul Betts in Rome

SIG. SANDRO PERTINI, the Italian President, is expected today to give Sig. Giulio Andreotti, the outgoing Prime Minister, the mandate to attempt to form a new Administration to resolve the country's latest government crisis.

During the past 48 hours, Sig. Pertini has held in record time consultations with all the main political parties to seek a preliminary solution to the crisis brought about by the withdrawal earlier this week of the powerful Communist Party from the Parliamentary majority.

However, after Sig. Pertini's two-day consultations, there were no signs that the deadlock between the country's two main parties, the Christian Democrats and the Communists, had been overcome.

Sig. Enrico Berlinguer, the Communist secretary general, renewed yesterday his party's firm demands for direct participation in a new government of "democratic and national solidarity."

But Sig. Benigno Zaccagnini, the Christian Democrat secretary general, against rejected these demands and suggested that a compromise should be formulated over an all-party economic and social programme He said the ruling party was prepared to consider any alternative formula to the outgoing minority Christian Democrat government as long as it did not entail the inclusion of Communist cabinet ministers.

In these circumstances, Sig. Andreotti's chances of rebuilding a Parliamentary majority to support what in effect would be his fifth administration appear increasingly dim, despite the apparent unwillingness of all the main parties to risk an electoral confrontation at this stage.

Unless a compromise is reached, the most likely outcome of Italy's latest crisis is an early general election, although should Sig. Andreotti fail, another political leader could be asked by Sig. Pertini to try again.

Credit Lyonnais changes after foreign stock loss

BY DAVID WHITE IN PARIS

A £4.4M scandal in the London stock and bond dealing operations of Credit Lyonnais, the state-owned French bank, has claimed its first victim.

M. Maurice Genin, the bank's director for financial affairs, has resigned, and the department has been brought under the supervision of M. David Dautresme, deputy general manager and number four in the Credit Lyonnais heirachy.

M. Georges Branchart, an employee responsible for the bank's foreign stock market section, has been charged by an examining magistrate with embezzlement, abuse of confidence, and foregry. He was dismissed over two weeks ago.

The bank last week started legal proceedings against M. Branchart, Mr. Thomas Stoddart, a British financial analyst, and others, who remain unidentified.

Mr. Stoddart left the bank last year, after the financial affairs department was reorganised in September, and received six months salary in compensation. He has since disappeared. Large unaccounted losses at the London end of the bank's portfolio investment operations were discovered soon after, but did not become public knowledge until last month, when bank employees' unions gave details to the Press.

The bank, in its proceedings, is accusing the British former employee of embezzling FFr 6m (£705,000). A further FFr 31m remains to be accounted for. The bank said it had not established to what extent this loss was the result of fraud by others or of misplaced investments.

The notice of the financial director's resignation said he would devote himself to his post as head of Banque Franco-Roumaine, which he held at the same time as his directorship. But the bank made clear that the change in management structure was made in the light of the London scandal.

Sihanouk to carry on Cambodia fight

BY COLINA MacDOUGALL IN WASHINGTON

PRINCE NORODOM Sihanouk, the former Cambodian leader, has agreed to return to Peking to continue the struggle against the Vietnamese-backed government of Heng Samrin. The Chinese have thus scored an important point in the struggle for Cambodia; in salvaging their S.E. Asia policy; and perhaps even in reducing the influence of the Soviets who backed the Vietnamese invasion of the country.

Prince Sihanouk had a meeting with Chinese vice-Premier Mr. Deng Xiaoping before he left Washington at which the Peking leader tried to persuade him to go back to Cambodia to support the Pol Pot government, now fighting a guerrilla war against the Vietnamese invaders.

Princ Sihanouk refused to go back to Cambodia but he accepted Mr. Deng's proposal to return to Peking, surrendering his previous plan to retire to France.

The Prince's refusal to rejoin the Pol Pot forces is a blessing in disguise for the Chinese since it will give them the opportunity to put together a broader united front Cambodian leadership. That will enable them to shed the burden of supporting the brutal and unpopular Pol Pot regime and move towards a more acceptable compromise leadership.

It is even possible that some such solution could eventually be acceptable to the Vietnamese to rescue them from the debilitating guerrilla war which they no longer look like winning easily. Prince Sihanouk disclosed that Hanoi had proposed to him through an intermediary while he was in hospital in New York that he should lead the new regime in Pnom Penh.

Pakistan acts to revive investment in industry

BY CHRIS SHERWELL IN ISLAMABAD

IN A two-pronged move to boost Pakistan's flagging industrial sector, the military Government's all-civilian cabinet has agreed to abolish the Board of Industrial Management, the body theoretically controlling the country's nationalised industries. It will also establish a financial institution to stimulate private industrial investment.

To improve the low efficiency of Pakistan's public sector enterprises, the cabinet has set up a committee of Ministers which will approve mergers and financial restructuring among more than 60 public units nationalised under the Bhutto regime. Some units will be wound up. But none will be handed back to their former owners, in line with previously announced policy.

To sweeten the entrepreneurial investment climate, the cabinet has established Bankers Equity Limited, a company intended to provide equity support for new ventures in the private sector. The idea is to use surplus liquidity with the nationalised commercial banks to provide funds for equity all through a new financial institution. But the Government acknowledges that the private sector's response to past steps has been poor.

Bankers Equity Limited would receive 40 per cent of its subscribed capital of Rs 250m (£12.5m) from the State Bank of Pakistan, and the rest in equal shares from the five nationalised banks. Authorised capital has been fixed at Rs 1bn, and in due course the subscribed capital would be increased.

The company's main functions are described as "to underwrite and subscribe to the equity of medium and large sized industries and also to provide bridge finance in cover of the equity commitment." The organisation will be "kept free from rigid administrative and financial control of the Government," according to the cabinet decision.

White prisoners set free

BY QUENTIN PEEL IN JOHANNESBURG

FOUR WHITE prisoners captured in Rhodesia by guerrillas belonging to the Zimbabwe African National Liberation Army (Zanla), supporters of the Rhodesian nationalist leader Mr. Robert Mugabe, were released yesterday in the Mozambique capital of Maputo.

The four, who were captured in different areas of eastern Rhodesia between May and September last year, reported that the guerrillas appeared to be in control of considerable areas along the eastern border.

Mr. Thomas Wigglesworth, a former British Army major seized on his farm near Umtali, said the guerrillas were "well trained, well disciplined and in extremely good morale. Everything they had was made available to us." His impressions were supported by Mr. Jonannes Maartens, a South African citizen also captured on a farm near Umtali.

The other prisoners released into the care of Amnesty International, to coincide with the current meeting of non-aligned states in Maputo, were Mr. John Kennerley, an off-duty Rhodesion soldier captured near Beitbridge on the South African border, and Mr. James Black, a forest ranger captured in the Eastern border area of Melsetter. A spokesman for Mr. Mugabe's Zimbabwe African National Union (ZANU), the political wing of Zanla, said the four were the only white prisoners they held. A "steady stream" of black prisoners would soon be released.

U.S. unemployment rate falls to 5.8% in January

BY DAVID BUCHAN IN WASHINGTON

THE U.S. unemployment rate droped in January to 5.8 per cent from 5.9 per cent the previous month, the Commerce Department reported yesterday.

The overall jobless rate is not included in the Government's index of leading indicators, and therefore last month's slight decline in unemployment does not necessarily conflict with signs earlier this week from the leading indicators index that the economy is slowing down.

Government economists believe that companies last month were reacting to lower productivity of American workers by hiring more of them, in order to maintain the same level of output. Long term growth in output per worker declined in 1978, according to the Administration, to 1.5 per cent.

Stewart Fleming adds from New York: First Pennsylvania Bank, the twentieth largest U.S. commercial bank, joined Chase Manhattan in cutting its prime lending rate to 11½ per cent from 11¾ per cent yesterday.

But Citibank, the second largest U.S. bank, said it was leaving its prime unchanged. Citibank, however, employs a formula to adjust its prime, based on a three week average of certificates of deposit in the secondary market. Observers expect the formula to indicate a cut next week barring a significant upturn in CD rates.

Dutch to join UN force

By Charles Batchelor in Amsterdam

THE DUTCH Parliament has approved the Government's plan to send a unit of 800 men to join the UN peace-keeping force in Southern Lebanon. The Cabinet was criticised, however, for not consulting Parliament before agreeing to the UN's request for a Dutch contingent.

The Government hopes that the force will consist mainly of volunteers. Mr. Willem Scholton, the Defence Minister, told Parliament.

However, the first contingent which is due to take up its duties in mid-March is expected to include some men who have requested not to be sent.

Argentina Governor quits

BY ROBERT LINDLEY IN BUENOS AIRES

GEN. CARLOS BERNARDO CHASSEING, Governor of Cordoba Province, has resigned from his post in an act of defiance of Gen. Jorge Rafael Videla, Argentina's President, who had asked the Governor to help relieve the national budget deficit.

In 1977, the year after Gen. Chasseing was named Cordoba's Governor by Gen. Videla, the province had no budget deficit, and the amount collected in taxes had increased by 1,900 per cent.

President Videla, who has also asked the two other wealthiest provinces, Santa Fe and Buenos Aires, as well as the Buenos Aires Municipality, for contributions to the national Treasury, yesterday received Gen. Iberico Saint Jean, the Governor of Buenos Aires Province, and Gen. Osvaldo Cacciatore the Mayor of Buenos Aires.

The national budget deficit has been built up mainly by the outlay on weapons prompted by the threat of war, now over, with Chile over the Beagle Channel boundaries dispute.

German-Japan nuclear deal

By Richard Hanson in Tokyo

THE JAPAN Atomic Energy Research Institute says it has concluded a three-year agreement with its West German counterpart, Kernforschungsanlage Julich, to co-operate in the research and development of a thermal gas reactor. Japan hopes to put an experimental thermal gas reactor into operation by 1985.

A thermal gas reactor is a new type which uses graphite as the moderator and helium as a cooling agent. It emits high temperature gases which can be converted into energy for steel and chemical industries. It will also maintain a high heat conduction rate while emitting low amounts of radioactive waste.

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UK NEWS

Ferranti subsidiary sold for £7.6m

BY MAX WILKINSON

FERRANTI, the electronics group controlled by the National Enterprise Board, has agreed to sell its Canadian subsidiary, Ferranti Packard, to Northern Engineering Industries for £7.6m, it was announced yesterday.

For Northern Engineering, the Newcastle-based engineering and electrical group, the acquisition is part of an attempt to regain ground lost last year when it was forced to withdraw from Howden Parsons, the Canadian turbine-generator manufacturer.

The withdrawal was made under a long-term agreement with the Howden group, which controls Howden Parsons, but it came as a disappointment to Northern Engineering, especially as it was replaced by Brown Boverie of Switzerland as the principal supplier of technology.

Ferranti Packard's main product is transformers and this will give NEI an opportunity to expand sales to the electrical utilities in Canada and the U.S., although it does not have plans to use the acquisition to make turbine generators in Canada.

Mr. Marcus Bower, main board director of NEI, said yesterday the company hoped to use Ferranti Packard as a base for selling new products in America, particularly mining gear and electronic control systems.

Ferranti Packard has five factories and employs about 1,000 people. Last year it made profits of C$2.56m (£1.1m) on sales of C$49.8m (£20.9m). Its net tangible assets at March 31, 1978 were C$18.3m (£7.7m).

Mr. Bower said the company made sense as an investment for NEI mainly because of the prospects for developing its product range. Northern Engineering has a large transformer manufacturing plant in the north east which will complement that of Ferranti Packard.

Ferranti's decision to sell the subsidiary was part of its general strategy of moving out of less profitable manufacture not related to its main business in electronics and computer systems.

The company says it has no immediate plans to re-invest the money, but that the sale will increase resources available for further development of electronic products.

The Canadian management of Ferranti Packard under Mr. L. W. Hetherington, its president, is expected to remain unchanged after the deal is formally concluded.

Kirkby co-op hoping for foreign support

BY RHYS DAVID, NORTHERN CORRESPONDENT

KME, the Merseyside workers' co-op, is hoping to attract support from abroad following the Government's decision to reject applications for a further £6m in grants and loans.

Mr. Jack Spriggs, the co-op's convener-director, told a meeting of the labour force of 700 in Liverpool yesterday that it was still hoped to avoid voluntary liquidation or receivership and he named the Ferroli company of Milan as a possible buyer.

The co-op, which makes radiators, has received £5.7m in Government grants and loans in the past four years but has lost about £20,000 a week. The co-op's directors had argued that with further aid a rationalisation plan, involving the loss of 200 jobs would be introduced, enabling the plant to recover viability, but the Department of Industry has concluded that prospects would remain poor.

Mr. Spriggs yesterday alleged that Mr. Eric Varley, the Industry Secretary, had been obstructive and hostile to the co-op, and said Mr. Varley had been reluctant to seek government backing for his decision.

He added that the co-op's bank, National Westminster, had indicated it would be prepared to consider favourably a £1m loan for a new plant in 1980 providing the rationalisation plan was carried out. The co-op's other main creditor, the British Steel Corporation, had said it was willing to convert KME's debt into a fixed-term loan.

Further talks between the Department of Industry and KME, which was set up in 1974, will be held in London on Monday.

Closure of the co-op would cause considerable political embarrassment. More than 3,000 redundancies have been declared on Merseyside so far this year by two big employers, Dunlop and Plessey.

Paris flight costs to be halved

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH AIRWAYS is to halve the price of one of its London-Paris return flights, as part of a package offering big cuts on most European air routes. Air France will offer similar reductions.

The new rate on London-Paris will be £41.50 return, available from mid-June on the last British Airways flight of the day each way— the TriStar service which leaves at 21.30 from both Paris and London.

This will supplement a £50 return available on day-time off-peak flights. The normal economy class return rate is £83.

British Airways says it is also well advanced with plans to cut fares from London to other big French cities, such as Nice, Lyons, Bordeaux and Marseilles, at rates up to 40 per cent below present fares.

The airline hopes that, from April 1, it will be able to offer a £100 excursion return London-Nice, against the normal economy class return of £191, in the off-peak months, and a £114.50 return in the peak months of July, August and September.

The fares are still subject to UK and French Government approvals, and various conditions will be attached to them—for example, the £50 London-Paris off-peak day return will require passengers to spend at least one Sunday abroad.

Campaign to explain change in tax relief

By Eric Short

THE CHANGE in method of tax relief on life assurance premiums is to be explained in a campaign launched by the Inland Revenue.

The life assurance company associations are giving full co-operation.

Under the present system, the premium is paid in full to the life assurance company and tax relief is claimed by tax code adjustment.

Under the new system which, starts on April 6 life assurance premium will be paid net of tax relief—fixed at 17½ per cent—and the assurance company will reclaim the balance from the Inland Revenue. With small industrial life policies, the premium is to stay at the same level and the benefit is to be increased.

This method of obtaining tax relief is virtually all that has been put into practice from the tax credit system proposed by the last Conservative Government. Most policyholders who pay premiums monthly will be unaffected financially.

It is estimated that over 1,000 jobs within the Inland Revenue will be saved by the changeover. The life assurance industry, however, estimate that it has cost them between £10m and £15m to implement it, as well as putting back by 12 months future development programmes.

Further details are given in a leaflet published by the Life Offices Association, and policyholders are advised to contact their life assurance company for details.

Lord Brooke to sell estate

LORD BROOKE, who recently sold Warwick Castle to Madame Tussaud's, is selling Leafields Farm, the adjoining 700-acre estate.

The farm, which could go for £1m, is mixed arable and stock, and includes 1,780 yards of double bank fishing on the Avon plus 220 acres of woodland

Second ship in doubt as £18m deal agreed

BY LYNTON McLAIN

THE BANK and Savill Line is to go ahead with its order for an £18m refrigerated container vessel from British Shipbuilders.

Work on the 16,300 deadweight tonnes vessel will start at Swan Hunter's yard on the River Tyne on Monday, for delivery in May next year.

The shipping line placed letters of intent with British Shipbuilders in November for two identical refrigerated container vessels. However, only one will be confirmed in a letter to the corporation next week.

The fate of the other ship, to be delivered in January next year, still hangs in the balance and the original plan of British Shipbuilders to build the vessel at Smith's Dock on the Tees is in abeyance.

Draughtsmen at the Haverton Hill yard on the river, in dispute with the Engineers' and Managers' Association, have refused to release drawings for the ship to Smith's Dock.

The draughtsmen, members of TASS, the white-collar section of the Amalgamated Union of Engineering Workers, have also refused to complete the drawings.

Some drawings were handed over to Swan Hunter. Draughtsmen at the Tyne yard will begin completing the details next week. These plans could form the basis for the second vessel, which could also be built on the Tyne.

Members of TASS employed at the Govan yard on the Clyde have also refused to co-operate with Smith's Dock on detailed plans for two 16,500 deadweight-tonne bulk carriers being built as part of the £115m Polish contract signed in 1977.

The plans were held up in December, but only now has work on the ships started to be affected. Delivery of the ships, planned for later this year, now faces possible delay.

Insurance contracts inquiry

BY JOHN MOORE

CHRISTOPHER MORAN Group, insurance brokers at Lloyd's, revealed yesterday that an investigation is taking place into reinsurance contracts in which it had acted as the broker.

Treasury papers relating to its investigation into the affair have been passed to the City of London Police Fraud Squad.

The company said it had undertaken to give its fullest co-operation to the investigations.

Moran made its statement after reports that the group was being investigated over possible currency irregularities. The shares fell 10p to 41p on the news, but rallied to 45p after the statement. On the stock market Moran is valued at £7.8m.

The full statement of the group said: "the company is aware that investigations are being made into certain reinsurance transactions effected in 1975 and in which its Lloyd's broking subsidiary acted as broker."

"The company has undertaken to give its fullest co-operation to the authorities carrying out such investigations."

"The company is entirely satisfied that the subsidiary concerned has not committed any breach of exchange control regulations."

Hattersley rules out more than 8.8% for council workers

BY ELINOR GOODMAN, LOBBY STAFF

MR. ROY HATTERSLEY, Prices Secretary, yesterday ruled out any increase of more than 8.8 per cent to local authority workers as "pure fantasy." Mr. Hattersley said that it was not a matter of the Government's willingness to pay more, but economic reality.

Mr. Hattersley, one of the Ministers involved in discussions with the TUC, said on BBC radio that if the Government started pouring money into the town halls to finance a wage increase of 15 per cent or more it would mean financial ruin for the country.

His warning marked the beginning of a concerted effort by Ministers this weekend to hammer home the consequences of double-figure wage settlements.

The Prime Minister, who on Thursday took the unusual step of involving himself in a dispute by calling the leaders of the four unions involved in the public sector pay talks to Downing Street, is expected to use today's Labour Party local government conference to spell out how much is being put at risk by such claims.

The passages dealing with the dispute were being finalised yesterday to take account of developments. Given the role of local government in the present dispute and others on the horizon, the Prime Minister is expected to use the platform for a major speech.

Ministers regard the outcome of the local authority manual workers' claim as fundamental in the fight against inflation.

Mr. Peter Shore, Environment Secretary, has told representatives of the local authority negotiators that settlement of the dispute must be achieved within the 8.8 per cent formula outlined by the Prime Minister last month, and has warned them that any settlement over that figure would not be met by an increase in the cash limits.

Mr. Merlyn Rees, Home Secretary, yesterday repeated the idea to be discussed with the TUC, of negotiating with essential workers a limitation on the right to strike.

Later, speaking in his Leeds constituency, Mr. Rees said the Government was not able to instruct the police to deal with picketing in industrial disputes because it was essential that the independence of the police from politics and Government be recognised.

"The fundamental function of the police is, without fear or favour, to uphold the law. The independence and impartiality of our police service is nowhere more vital than in the field of industrial disputes," he said.

The Conservatives attacked the system of trade union sponsored MPs. Mr. Norman St. John Stevas, shadow Leader of the House, said that NUPE, one of the unions involved in the public workers' dispute, was one of the main contributors to Labour Party funds.

Hugh Routledge

Into top gear: Mrs. Thatcher examines a machine which turns out cogs for duplicators during a visit to the Gestetner factory in South Tottenham, London, yesterday.

Liberals' campaign to restore morale

BY OUR LOBBY STAFF

LIBERAL MPs will next week unveil what is likely to be their election strategy when they start a five-week tour of the country aimed at restoring the battered morale of party workers and re-establishing the party as a serious third force in politics.

Under the slogan, the "Real fight is for Britain," they will again try to persuade the electorate that only the Liberals can exert the necessary moderating influence on the two main parties in Parliament.

They decided before Christmas to spend more time campaigning than in Westminster in February and claim that the response to this week's party political broadcast is evidence of the groundswell of public opinion in favour of breaking down the traditional barriers between the parties.

On Wednesday, Mr. David Steel, the Liberal leader, called on Mr. Callaghan and Mrs. Thatcher to join him in all-party talks aimed at solving the country's economic problems. Since then he has received more than 500 letters in support.

The response from the other party leaders, however, has been distinctly cool.

More teeth sought for City watchdog

By Michael Lafferty

THE COUNCIL for the Securities Industry, the new self-regulatory "watchdog" for the City of London, is to consider taking a role in the enforcement of accounting standards.

It has been asked to do so by the Accounting Standards Committee and the accounting bodies because of concern about the absence of effective enforcement under the present standard-setting system.

The council will decide on the matter at its next meeting on April 27. But leading City accountants are not optimistic that it will want more than a minor role. One possibility is that the council might be used as a forum for sorting out conflicts on particular accounting proposals between City institutions.

Yesterday's council meeting considered the recommendations of a working party which had been studying the dispute between Allied Breweries and investing institutions at the time of the J. Lyons takeover. The outcome will almost certainly be a change in the Stock Exchange's "Yellow Book" rules requiring that companies in similar positions might have to consult shareholders in advance of a bid.

The council has decided to prepare a submission to the Department of Trade on audit committees and the role of non-executive directors.

● The Accounting Standards Committee will hold a forum to discuss the future of accounting standards on Friday, March 16. Attendance will be limited to 60 applicants, but further meetings will be held if demand arises.

UK NEWS

'Crushing blow' to London pride

MR. HORACE CUTLER, leader of the Conservative-controlled Greater London Council, yesterday described the Government's decision not to provide financial backing for the proposed £53m Trammell Crow trade mart in London's docklands as a "crushing blow" to the area.

The proposed mart would have provided 1,000 permanent show rooms for manufacturers of consumer goods.

Mr. Cutler, in a lengthy and bitter statement, said the trade mart was regarded by most people as "the stimulus which would really have put docklands on the map." He said the Government's decision was incomprehensible and had done imponderable damage to London's reputation abroad.

The decision not to back the trade mart but instead to offer a package of financial aid to other industrial and commercial developments in docklands is clearly a big setback to Mr. Trammell Crow, the Texan businessman behind the scheme.

Mr. Cutler's anger is also not surprising since the Government effectively blocked legislation last year which would have given the GLC power to guarantee the project's finances. He has also seen the Government refuse to support the GLC's pet project, the £200m extension of the Jubilee tube line to Docklands.

However, the extent to which the Government's decision on Trammell Crow will turn out to be a major blow to the overall docklands redevelopment plans will depend on several other factors including the question of whether other developers will take up the Government's offers of financial assistance.

The final decision not to provide a total of £43m in Government guarantees for the project —but to counter the effect of the decision with offers of £70m to other projects with proven economic viability — was set against real concern that docklands needs a big new development to act as a catalyst for further industrial and commercial regeneration.

The real question facing Mr. Peter Shore, Environment Secretary, and his Cabinet colleagues was, therefore, twofold. First, did the trade mart stand a reasonable chance of success and second, even if the Government guarantees were to be placed at risk, was that risk justified in the wider context of the need to provide docklands with a boost. The apparent answer reached to both questions was "No."

The doubt over the future viability of the trade mart was first raised when Trammell Crow approached the Government for guarantees to secure City investment.

Subsequently, a report by the Industrial Development Advisory Board—set up to vet guarantees under the 1972 Industry Act—is believed to have come down heavily against the project and further reports by Department officials and a small group of prominent businessmen from the private sector did not substantially change this view.

These reports must be set against Trammell Crow's own survey results which suggested that the trade mart complex could rely on widespread support from UK consumer goods manufacturers.

● NEWS ANALYSIS—DOCKLANDS

DAVID CHURCHILL AND PAUL TAYLOR ON THE TRADE MART DECISION

In the event a proposal from Mr. Shore that he would be willing to reconsider the scheme if Trammell Crow was able to increase its own £5m stake in the project did not win approval from the company.

Trammell Crow stands by its estimate of the London mart's proposed viability, especially since it points out that Mr. Crow planned to invest about £5m of his own money in the project.

The Government's argument that the differences between the U.S. and UK consumer industries and markets meant that the London mart was unlikely to succeed are also hotly contested by Trammell Crow.

It points out that the Dallas marts took about five years to become established after facing the same objections as those put forward about the London plan —such as that the trade was too diverse to support a mart. But now the Dallas marts are extremely profitable.

Supporters of the mart proposal also feel that Whitehall and Cabinet rivalries may have had as much to do with blocking this scheme as questions of commercial viability.

There was understood to be a certain degree of animosity between the Environment and Industry Departments over the scheme since Industry officials were "piqued" that the Environment Department and not themselves was seeking loan guarantees under the Industry Act.

While Britain's consumer industries, such as furniture, clothing, and giftware, will not immediately suffer because the mart project has been shelved, the future for docklands is less certain.

Within docklands there are about 5,500 acres of unused land waiting for redevelopment.

Responsibility for redeveloping the area rests with the Docklands Joint Committee, composed of the five London boroughs in docklands, the Greater London Council, the Port of London Authority and other interested bodies.

Following the adoption of a strategic plan for redevelopment over a year ago some progress has been made towards providing the infrastructure for new development.

However, a number of problems made the redevelopment slower than was originally anticipated. Some have been overcome by the both the Inner Urban Areas Act and the Government provisions for partnership authorities, both of which have benefited docklands through the provision of limited central Government finance, the changing of main local authority programmes and have given the local authorities additional powers.

In addition, the power of the Docklands Joint Committee has been enhanced by the recent appointment of an executive committee to make day-to-day decisions—thus reducing some criticism that the full committee was too unwieldy to deal with urgent decisions.

The problems that still exist are being examined by the Environment sub-committee of the House of Commons Expenditure Committee.

Catalyst

Throughout the three hearings so far the central theme has been how to encourage private investment in the area. Both Mr. Shore, and representatives from the local authorities accepted that a major new private investment was needed in docklands as a catalyst for other developments.

Trammell Crow might have provided that catalyst. The only other big development under consideration is plans by News International to build a £50m plant in Tower Hamlets.

These are understood to be "near completion" and proposals have been submitted to Mr. Shore for approval.

However, one smaller project about which a decision is expected next week is whether part of the West India and Millwall docks should become the new £7.2m home for Billingsgate fish market.

Power schemes given £150m in EEC loans

BY ROY HODSON

LOANS of £150m have been made by EEC institutions for coal and electricity development schemes in Britain.

The European Investment Bank is lending £101m for power supply schemes in England and Wales. The European Coal and Steel Community is lending £49m to the National Coal Board to finance more colliery investment projects.

Most of the EIB loan—£70m —is to help finance the construction of the pumped storage hydroelectric power station being built at Dinorwic in the Snowdonia mountains, North Wales. The scheme will use off-peak electric power produced at night to pump water to a high-level lake. When power is needed at peak periods the water will be released to drive turbines.

The station is to be the largest of its kind in Europe and its six turbines will be capable of generating 1,680 MW for five hours. The pumped storage station is due to start production in 1981 and will cost nearly £400m.

EIB loans of £49m have already been made towards the project.

The Electricity Council is borrowing a further £31m from the EIB for modernising and extending regional electricity distribution systems. The money will be handled by the Merseyside and North Wales Electricity Board, the North Western Electricity Board, and the South Wales Electricity Board.

The EIB is providing the £101m to the Electricity Council for 15 years at 9.45 per cent.

The ECSC loan to the Coal Board is for schemes to increase production. New coal reserves will be developed with the money at Warsop colliery, North Derbyshire, Brookhouse colliery, South Yorkshire, Thurcroft colliery, South Yorkshire, and Trelewis drift mine, South Wales.

Other Coal Board schemes that will be financed with the ECSC money include increasing output from Daw Mill colliery in the Midlands, developments at Cortonwood colliery, South Yorkshire, a new drift mine at Kinsley colliery, Barnsley, Yorkshire, increased output and a new coal preparation plant at Shireoaks colliery, South Yorkshire, and a scheme at the modern Kellingley colliery, in North Yorkshire to develop further areas of coal reserves and to improve surface facilities.

The terms of the loans will depend upon financial market conditions at the time of payment.

Airline to stop cheap travel for unofficial strikers

BRITISH AIRWAYS is to withdraw cheap travel concessions from staff who take part in unofficial strikes in an attempt to improve the "near anarchy" of its industrial relations.

The airline's 58,000 employees and their close relatives can fly for 10 per cent of the normal fare if seats are available under the concessionary scheme, which is seen as a substantial fringe benefit.

British Airways management hope that the threat to withdraw the concession, which would be in force for one year for employees taking unofficial strike action, will persuade unions to follow agreed disputes procedures.

Mr. Howard Phelps, personnel director, writing in the airline's staff journal, said that between July and January there were 66 unofficial stoppages and 53 other forms of industrial action which had cost the airline £10m in lost revenue.

He stressed that the decision was "not a piece of empty posturing" and that it had been taken against a background of "near anarchy" in the airline.

"It will be followed through for the sake of the airline, its many staff who have no stomach for self-destructive industrial action and for the sake of its passengers who are being repeatedly treated with contempt."

AA finds fault with petrol duty removal

By Kenneth Gooding, Motor Industry Correspondent

ANY MOTORIST who buys 4½ gallons of petrol a week would pay more tax if the Government goes ahead with its plan to replace excise duty with an increased levy on petrol, claimed Mr. Olaf Lambert, director-general of the Automobile Association, yesterday.

If the new tax added 20p a gallon to the price, and there was a registration fee of £5 a year, anyone buying 225 gallons of petrol a year would pay more than at present.

And if the tax and associated costs were nearer 30p—"which is more than likely"—anyone buying over 150 gallons a year, or three gallons a week, would find the tax contribution greater, he added.

Mr. Lambert criticised the vagueness of the document on the subject issued by the Government last autumn. The AA was "by no means impressed either with the logic or the basic arithmetic of the case the Government has so far put forward."

He warned that, while the registration fee might initially be set at a low figure, it would inevitably present an all too ready source of easily raised revenue.

"Previous experience with the vehicle excise duty strongly suggests that the registration fee would be an easy target for increases as occasion required —and moreover, without any compensating reduction in fuel tax."

● Mr. Lambert said the AA had a "very good year" in 1978 in financial terms—as would be revealed when the accounts are published in two months' time —and in membership, which reached a record 5.3m.

This year the AA will add 400 patrols, taking the total to 3,600.

Bomb attack widow faces £300 tax demand

A WOMAN widowed by a terrorist bomb attack has had a new shock—from the tax man.

Inland Revenue officials have demanded an extra £300 tax on the income Mrs. Lilian Thrupp gets from an appeal fund set up by Birmingham's Lord Mayor four years ago.

But she said last night: "I won't pay it without a fight."

Mrs. Thrupp's husband, Trevor, a railway guard, was one of 21 people killed in an IRA attack on two Birmingham pubs in 1974.

She has since received £2,600 a year from the Lord Mayor's fund, plus nearly £2,000 in widow's pension and child allowances, paying about £800 a year in income tax.

Now she has been told that her annuity is also liable to tax as an investment.

Mrs. Thrupp, of Rodbourne Road, Harborne, Birmingham, said the taxmen originally claimed she owed them £800 for three years, but then halved the demand, admitting that they had not made sufficient allowance for her children, aged 19, 15 and 14.

"The money is taxed before I get it, I pay tax on it—but still they want more," she said. "It's just not on, and I have appealed against it."

British Airports handles 40m passengers in year

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

AIR TRAVEL to and from the UK boomed last year, with nearly 40m passengers passing through the seven airports owned by the British Airports Authority—Heathrow, Gatwick, Stansted, Prestwick, Glasgow, Edinburgh, and Aberdeen—nearly 15 per cent more than in 1977.

At Heathrow, the number of passengers handled rose 13.3 per cent to 26.5m, while at Gatwick traffic totalled 7.8m passengers, up 17.8 per cent, and at Stansted 317,000, up 5.9 per cent.

In Scotland, the improvement was even greater, with a rise of 18.2 per cent for the year to nearly 5m passengers. The busiest airport was Glasgow, with a 23 per cent rise to more than 2.15m passengers.

A significant feature of the figures is that the number of aircraft movements also rose substantially, by 12.6 per cent to 504,900.

In the past, the growth in the number of aircraft movements has been much smaller than the growth in the number of passengers, indicating an increasing use of the bigger wide-bodied jets, each carrying more.

Cargo traffic did less well last year, with a growth of only 6.4 per cent overall, to 645,600 tonnes. At Heathrow, growth amounted to 4.7 per cent to 462,000 tonnes. But at Gatwick, where a new cargo terminal was recently opened, the growth was nearly 16 per cent to 111,000 tonnes.

● In the first eight months of the Gatwick-Heathrow helicopter link, more than 37,000 passengers used the service, and it is hoped that, for the first full year of operation, the target of 64,000 passengers will be reached. The single journey on the helicopter normally costs £12, although passengers with tickets for onward flights needing a transfer between the two airports, get the helicopter flight free. The service is run by British Caledonian Airways and British Airways Helicopters.

● The British Airports Authority is to spend £2m on resurfacing the main runway and taxiways at Edinburgh Airport in the summer, because of surface deterioration. The runway was opened in April, 1976.

The authority says the deterioration "may be the subject of legal proceedings."

European company in contract hire move

By Ian Hargreaves, Transport Correspondent

FRAIKIN SA, which claims to be Europe's largest truck rental and vehicle contract hire company, is moving into the UK market.

The Paris-based company has opened offices in Hounslow, Middlesex, and plans to have a fleet of 100 contract hire vehicles in this country by the end of the year.

Fraikin already has subsidiaries in Switzerland and the U.S. and has a total of 9,000 commercial vehicles.

Mr. Peter Fawcett, general manager of the British subsidiary, said at the official launch of the venture yesterday, that the UK haulage market was now ripe for an extension of the contract hire system, whereby hauliers or industrial companies hire rather than own vehicles painted in their own livery and maintained by the hiring company.

Hauliers, following the recent strike and several years of rapidly rising vehicle costs, would be ready to switch from the conventional pattern of vehicle ownership to improve their liquidity.

The company is even offering to buy fleets of hauliers with cash flow problems and contract hire them back to the same operator.

Bilston talks next week

MANAGEMENT and unions are to have further talks next week on the future of Bilston steelworks in Staffordshire. Urgent talks were held yesterday after Wednesday's rebellion by workers protesting at the plant's run-down.

British Steel wants to end iron and steel-making at Bilston under a 10-year plan, which could mean the loss of most of the 2,300 jobs.

Shop stewards, officials of the Iron and Steel Trades Confederation and senior management representatives agreed to a "full discussion" of the issue at the British Steel committee next Thursday.

British Steel planned to close two of the four remaining open-hearth furnaces by February 8 but when the first was ordered to be shut on Wednesday, workers defied management and prepared to light a back-up furnace.

Industry on the road again after strike

BY LYNTON McLAIN

INDUSTRY faced some transport problems yesterday as attempts were made to return business to normal after the lorry drivers' strike.

A shortage of lorries was reported as most drivers are not expected to return to normal working until Monday. There was little movement of traffic at Tilbury as hauliers faced the added problem of a four-hour strike by dockers.

Elsewhere lorry traffic began moving again and congestion at some ports was eased.

Hauliers who tried to move containers to inland rail terminals were told by operators that there would be no space for the imported containers until export cargoes which had piled up in the strike were cleared.

There was a higher than normal volume of heavy traffic at Dover as manufacturers attempted to ship exports rapidly to the Continent rather than wait at other ports further north.

The Department of Transport said yesterday that there had been an upsurge in applications from hauliers for Continental haulage permits.

'Keep schools open' plea from Minister

By Michael Dixon

THE CAREER prospects of many children depended on pickets observing the unions' agreement that teachers should be allowed to enter schools to teach examination classes.

Speaking in Stevenage yesterday, Mrs. Shirley Williams, Secretary for Education and Science said "I am not advocating that teachers or others should undertake the work done by members of unions who are on official strike. But there has been agreement that teachers will not be stopped by picket lines from entering schools."

The Minister called on local education authorities to do everything possible to keep schools open so that children of all ages could continue their education.

She added that the education service would undoubtedly suffer if inflationary wage rises forced another round of cuts in public spending.

Kendal £1.8m leisure centre

WORK IS due to start soon on a £1.8m multi-purpose sports and leisure centre in Kendal, Cumbria.

The centre, to be known as the Westmorland Hall, will include a sports and music hall, a swimming pool and facilities for leisure and recreation activities.

It is being financed mainly by South Lakeland District Council and Cumbria County Council.

STOCK EXCHANGE BUSINESS LAST MONTH

Lack of confidence leads to quietest start since 1974

BY GEOFFREY FOSTER

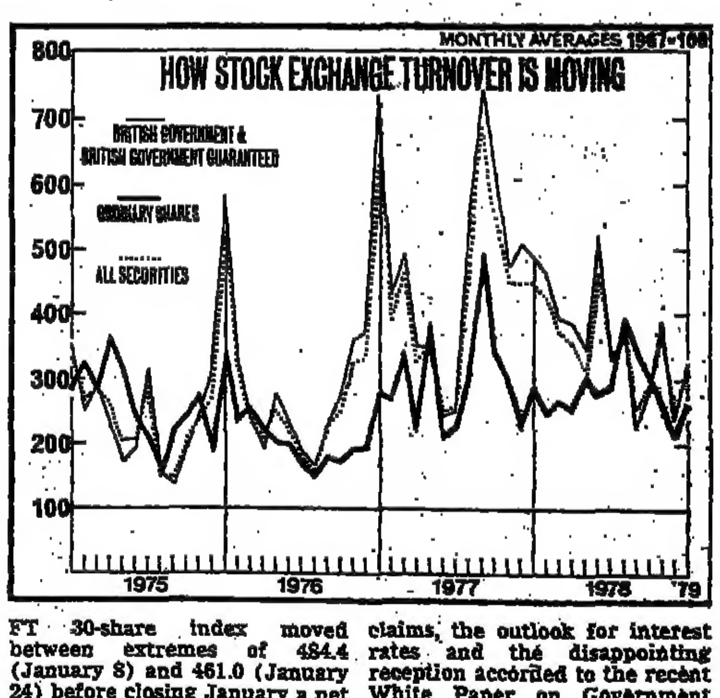
Escalating labour unrest and worries about interest rates served to depress investors' confidence to the extent that last month was the quietest start made to a year since 1974.

Partly due to the fact that there were three more trading days in January, the number of bargains transacted on the Stock Exchange was 25,023 higher than in December at 366,913, while total turnover was up £1.98bn to £10.19bn. This compares unfavourably with the January 1978 total of £14.7bn and the £20.4bn of January 1977.

The Financial Times Stock Exchange turnover index for All Securities moved forward to 312.4 from December's 251.1 but compares unfavourably with last year's monthly average of 354.3.

Business in equities rose to £1.46bn from December's £1.2bn, which was the lowest since June 1977. The number of equity deals improved by 19,735 to 275,788 and the average value per bargain was £653 up at £5,313. The FT Turnover index for Ordinary shares rose to 261.5 from December's 213.9 and compares with the 1978 monthly average of 285.7.

Equity prices displayed remarkable resilience in January considering the surrounding gloomy labour, economic and political scenes. Prices drifted lower in thin trading with investors turning their attention from the leaders to the more speculative secondary issues. From an end-December level of 470.9, the FT 30-share index moved between extremes of 484.4 (January 8) and 461.0 (January 24) before closing January a net 3.2 points easier at 467.7.



Trade in gilt-edged improved from December's low level with business in the sector up by £2bn to £7.6bn.

The number of gilt-edged bargains rose by 8,791 to 56,687 with dealings in the shorts 5,941 up at 25,530. The FT turnover index for British Government Securities was 322.0

Gilt-edged prices wilted throughout the month on concern about the inflationary implications of the current wage claims, the outlook for interest rates and the disappointing reception accorded to the recent White Paper on Government spending. The Government Securities index fell from an end-December figure of 68.69 to close the month 2.42 points, or 3.5 per cent down at a 23-month low of 66.27.

Gold shares began the New Year on a firm note as prices moved higher before and after news of the changes in South Africa's foreign exchange policy. The FT Gold Mines index rose 23.8 points (16.8 per cent) to 165.3, after having touched a four-month high of 176.0 on January 24.

Category	Value of all purchases and sales £m	% of total	Number of bargains	% of total	Average value per day £m	Average value per bargain £	Average No. of bargains per day
British Govt. and British Govt. Guaranteed:							
Short dated (having five years or less to run)	4,414.7	43.3	25,530	7.0	200.7	172,923	1,160
Others	3,193.6	31.3	31,157	8.5	145.2	102,500	1,416
Irish Govt.:							
Short dated (having five years or less to run)	275.5	2.7	1,272	0.3	12.5	216,619	58
Others	270.7	2.6	2,372	0.6	12.3	114,106	108
UK Local Authority	423.1	4.2	5,959	1.6	19.2	71,002	271
Overseas Govt., Provincial and Municipal	18.8	0.2	1,395	0.4	0.8	13,468	63
Fixed interest stock, pref. and prefrd. ordinary shares	133.3	1.3	23,440	6.4	6.0	5,686	1,066
Ordinary shares	1,465.5	14.4	275,788	75.2	66.6	5,313	12,536
Total	10,195.2	100.0	366,913	100.0	463.4*	27,786*	16,678*

* Average of all securities.

Call for close study into why certain foods cause illness

BY DAVID FISHLOCK, SCIENCE EDITOR

Doctors now believe that foods —even favourite foods—may be the cause of many more brief spells of illness than has been generally recognised.

A leader in The Lancet today, quoting the 2,000-year-old aphorism "one man's meat is another man's poison," urges a closer study of the problems of food allergy.

Food allergens, it says, are usually favourite foods which are eaten regularly—often in excess—while food fads among children may be a protective mechanism against potential allergens.

Brief illness from foods falls into one of two main types, such as swellings and rashes—caused by such foods as strawberries, shellfish and eggs.

But cow's milk may cause eczema, asthma, behavioural disturbances, colic—even sudden death.

One U.S. study has suggested that food allergies are responsible for 25 per cent of the cases of asthma in childhood.

Tomatoes, potatoes and gluten—a constituent of wheat flour—can all cause mouth ulcers.

There is also the allergy which is not immunological in nature, and probably arises from inborn deficiencies of certain enzymes.

The most prevalent reaction of this type is to caffeine, to which some people appear "extra-sensitive," particularly when it is taken in excess, says the article.

The article concludes that enough is now known about intolerance to food to help many patients with troublesome and hitherto intractable symptoms. But some intriguing ideas still remain to be tested—for example, that certain foods may be the cause of mental disease, for which there is some experimental evidence in animals.

Prestcold's new deputy 'will play major role in review'

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

PRESTCOLD HOLDINGS, the BL-owned refrigeration and air conditioning group whose future is being reviewed, announced two senior management appointments yesterday.

Mr. Denis Field, 55, is moving from managing director to deputy chairman, where he will play a major role in the review. He is succeeded by Mr. John Brooks, 38, who takes over day-to-day management, and was previously managing director of Aveling Barford International, also owned by BL.

Mr. Brook's return to Prestcold, where he was deputy managing director before going to Aveling Barford, is no surprise. The management has considered selling Prestcold to an outside buyer.

The next stage in the Prestcold and Aveling Barford reviews will be considered by the board of BL in a fortnight. Consultation with unions at both companies will take place meanwhile.

Mr. Brooks is not being replaced at Aveling Barford International.

Treasury entitled to block arts fund Bill

BY IVOR OWEN

TREASURY MINISTERS are entitled to block the Private Member's Bill which seeks to ensure that the £50m voted to the National Land Fund in 1946 is spent on the arts.

This was made clear in the Commons by the Speaker, Mr. George Thomas, yesterday when he ruled on a complaint by Mr. Arthur Jones, Conservative MP for Daventry, the chief sponsor of the Bill, that the action taken by the Treasury contravened earlier rulings from the Chair. Any member was entitled to object to a Private Member's Bill at the appropriate time, he said.

Mr. Jones had earlier maintained that the Treasury was wrong to object to his Bill on the grounds that it created a charge on public revenue because the House had already approved the provision of £50m for the National Land Fund in the 1946 Finance Act.

The Treasury has contested this view in evidence to the Environment sub-committee of the Commons Expenditure Committee, arguing that no such public expenditure took place in 1946.

Mr. Thomas told MPs yesterday his advice to Mr. Jones that there was no objection to his proceeding with the Bill was based solely on the grounds or order.

"I have no views on the merits of the Bill, nor have I any power to accelerate or delay its progress through the House."

But he confirmed that the House passed a resolution on April 17, 1946, authorising the issue from the Consolidated Fund to the National Land Fund of £50m. "It is that fact which influenced me in my opinion that no further charge was created by Mr. Jones' Bill."

The Bill seeks to establish a national heritage fund to which all sums in the National Land Fund would be transferred. The £50m would then be passed into the hands of independent trustees for spending on the arts.

Mr. Jones was chairman of the Commons select committee whose report led to a campaign aimed at breaking the Treasury's hold on the £50m approved for the National Land Fund.

At the close of the proceedings in the Commons yesterday, a shout of "Object" from the Government front bench again prevented the Bill from obtaining a formal second reading.

THE WEEK IN THE MARKETS

Gilts take all the strain

THE LABOUR news has remained as depressing as ever this week. Some wage settlements have been struck at levels that not even the most pessimistic forecasts of a few months ago had allowed for, and official tactics remain unclear. The Government's determination to hold to its monetary policy is still expected to lead to a higher Minimum Lending Rate and although MLR was held unchanged on Thursday gilt-edged yields have been under inexorable upward pressure.

Yesterday morning yields on the highest-coupon long-dated stocks moved decisively above 14.3 per cent, and stripping out accrued interest in the long tap, Treasury 12½ per cent 2003/05, has fallen 5¾ points from the level at which the Government Broker last supplied it officially in December. The market is now getting worked up about the money supply, as bank lending is generally supposed to be growing quite fast to finance stocks built up by companies during the haulage strike. So the pressure on the authorities to start funding again is growing. *Whether a rise in MLR* now, while labour developments still seem to be deteriorating, would be enough to turn the gilt market round decisively is another question.

Equities retain their miraculous resilience—the FT 30-Share Index has crept back towards 470, showing not the slightest inclination to crack. Institu*tions still seem* anxious to build up holdings of equities relative to gilts, despite doubts about the damage likely to be done to the company sector by fiscal and monetary restraint on top of a welter of strikes.

Sempre più Forte

Some individually strong share performances came from companies that reported figures during the week.

Trust Houses Forte's share price touched a new high of 271p yesterday morning after the company announced pre-tax profits growth of 46 per cent at £55.5m. *After-tax figures show* a less spectacular increase, but THF says the first quarter of 1978-79 has been well up on the previous year and forward bookings are healthy.

Despite the strong start to the *current* year and improvements in the balance sheet THF, which employs over 50,000 people, cannot be looking forward to its pay negotiations in May. Any dampening of UK consumer spending growth would hurt the group, although a recovery of the dollar would allow the impact of its expansion in the U.S. to show through in profits more clearly. The shares are selling at 10½ times fully-taxed earnings, against a sector average of 8½.

BATs pleases

While THF is confirming an enviable profits record, there was nothing in the bald figures from either BAT Industries or Decca to justify the prompt enthusiasm for both stocks.

Excluding the effects of adverse currency *movements*, however, the tobacco giant achieved around 12 per cent growth and the annual pre-tax profit total of £433m was rather more than the market had anticipated. To a considerable *degree*, the upturn can be attributed to the "other activities" item which turned in a £14m operating profit improvement. The sale of two food subsidiaries from this division was *probably worth around £5.5m* in loss elimination while BAT took a substantial capital profit on the sale of certain sections of the Tobacco Securities Trust non-tobacco portfolio.

LONDON

ONLOOKER

These must be classed as once only benefits but the market is prepared to believe that the underlying growth pattern can be sustained at the pre-tax level. Recent cigarette price increases in the U.S. and Brazil will help and International Stores, at last, may provide some relief to *BAT's ACT problems* by breaking even this time after a loss of about £5m in the year to end-September last. The end of the double run of both trading stamps and discounting must be an advantage.

So BAT, *like the sector* as a whole, should be capable of proving its defensive worth as the market peers into a bleak industrial and inflationary future.

Faith in Decca

The strength of both classes of Decca equity can only be attributed to the fact that the market is prepared to look not just six months but a year and a half ahead when, at March 30, *1980 the electronics group is* expected to draw the line on pretax profits of around £13m.

Badly affected by strikes, the halved interim profit provides a base for no more than about £7m *pre-tax* in the current financial year, where the prospective p/e must be standing in *the middle twenties. But dealers* are looking further ahead to a year they hope will be free of industrial problems and showing growth in the market for small electronics systems. That might imply a rating of perhaps 13 times 1979-80 earnings which would fall broadly in line with Racal and Ferranti—always remembering that these companies are anticipating 1979 rather than 1980 results.

Bid hopes must inevitably be reflected in the price but it is worth remembering that nobody has declared a 5 per cent stake and, for the moment, dealers report only piecemeal buying of the longish institutional lines that have been *periodically coming out*.

The discrepancy of around 10 per cent between the voting shares and the unenfranchised equity *(surely an anachronism)* may yet prove significant but in an historic context a voting premium of this magnitude is not wildly out of line.

At the other end of the ratings scale, Lonrho, which announced pre-tax profits 3½ per cent higher at £93.6m, is selling on a p/e ratio of around 3 and yielding just under 16 per cent *on an unchanged gross dividend*.

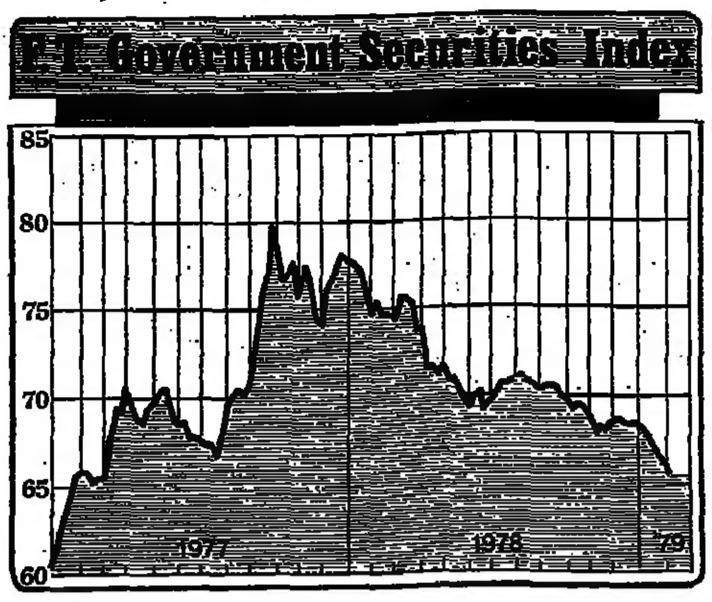
Camrex steps back

It is over 10 years since Lord Kearton opined that the UK paint industry should be rationalised but plans to merge two companies in the *North* Eastern corner of the country are still in abeyance. Camrex (Holdings) announced earlier this week that, after stern opposition from the Dufay Bitumastic board, its 50p per share approach was to be abandoned.

Few would argue that some form of get-together would offer a high degree of industrial logic. Similarly, *it may be fair* to point out that Camrex has been through a rough patch. The former chairman and his son resigned from the board last October after differences on future policy shortly after the group revealed a collapse in interim profits. There are now fears that the final dividend may be passed.

But these difficulties looked surmountable and it seems that both sides had been talking amicably about the benefits of a merger. Camrex's intentions were unfortunately leaked—the Stock Exchange is now undertaking a preliminary investigation into dealings over the relevant pre-bid period—and the ensuing confusion forced both sides into what the Camrex camp now admits were "hasty decisions."

With a near 30 per cent holding in Dufay, Camrex is clearly in a position to keep a watching brief on its erstwhile target. Whether Dufay for its part regards that holding as a cuckoo in the nest is another matter. The price, above anything else, appeared to be the main stumbling block but a *rapprochement would now* require some light and tactful bargaining.



TOP PERFORMING SECTORS IN FOUR WEEKS FROM JANUARY 4

	% Change
Mining Finance	+16.8
Overseas Traders	+ 8.4
Tobaccos	+ 4.7
Packaging and Paper	+ 3.8
Investment Trusts	+ 3.3
Property	+ 3.0
All-Share Index	+ 0.1

THE WORST PERFORMERS

Textiles	— 3.2
Insurance (Life)	— 3.8
Contracting, Construction	— 3.9
Pharmaceutical Products	— 4.0
Motors and Distributors	— 4.8
Office Equipment	— 5.5

U.K. INDICES

Average weeks to	Feb. 2	Jan. 26	Jan. 19
FINANCIAL TIMES			
Govt. Secs.	66.21	66.70	67.66
Fixed Interest	67.76	68.92	69.99
Indust. Ord.	*466.6*	*465.7*	*478.3*
Gold Mines	167.9	166.8	146.7
Do (Ex $ pm)	113.3	113.6	100.6
Dealings mkd.	4,407	3,920	4,302
FT ACTUARIES			
Capital Gds.	230.82	229.60	234.95
Consumer (Durable)	205.15	205.12	210.83
Cons. (Non-Durable)	209.70	206.75	210.65
Ind. Group	217.60	215.91	220.49
500-Share	241.87	239.61	244.35
Financial Gp.	170.57	168.07	172.95
All-Share	223.67	221.20	225.47
Red. Debs.	53.61	54.27	54.64

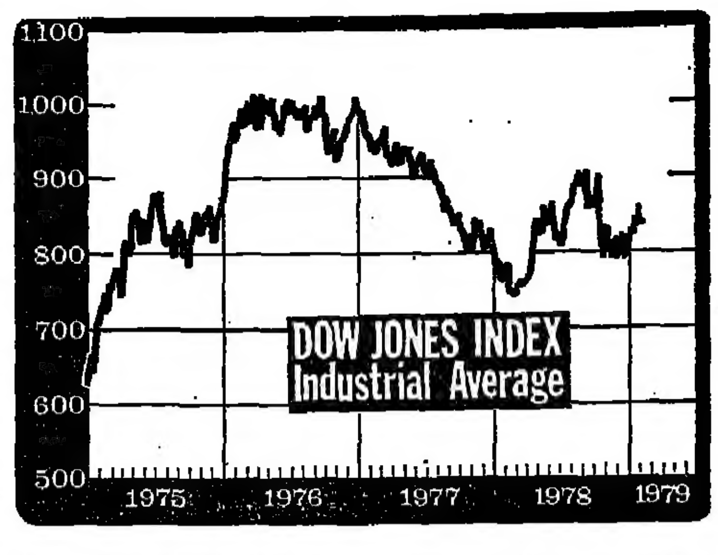
NEW YORK

JOHN WYLES

INVESTMENT in stocks is very much an "if only" exercise, at least for those seeking capital appreciation as a source of thrills and wealth. Buying stocks must be partly predicated *on the belief that the market* is like a greyhound following a continually stalling mechanical hare. If only someone would get the machinery right, then progress would be inevitable and victory and personal gain assured.

If only's apply to the financial, economic and political developments which influence the market and also to the choice of individual stocks. Each week brings its share and the past *few days have been no exception*. If only Ayatollah Khomeini would stop being beastly to Dr. Bakhtiar, then Iran would settle down again, its oil start to flow and the probable need for the U.S. to restrain energy consumption later in the year would be removed. Energy Secretary Schlesinger's warning of possible restraining measures on Wednesday was a dose of poison to the market, not least because it coincided with the frustration of another yearning in the *market—if only interest rates* would genuinely peak.

As January drew to a close this week the market began to appear increasingly breathless and fatigued and the rally which had added more than 50 points to the Dow Jones Industrial Average was seeming to grind to a halt. On Tuesday the tiny Southwest Bank of St. Louis caused a mild frisson by cutting its prime rate from 11¾ per cent to 11½ per cent which was sufficient to halt a declining trend in the *Dow for a couple* of hours before an "if only" came into play. If only a major money centre bank had swiftly followed the St. Louis Bank's lead then the credibility of this downward drift in an important short term interest rate would have been strengthened. *Unfortunately* none did, until Chase Manhattan raised its head over the parapet after the close of the market to announce a similar move.



January went out with an agonised cry on Wednesday, partially because Chase was left, and still remains, in virtual isolation as the only major bank to have cut its prime for the first time in more than two years. Moreover, Chase confirmed the general scepticism about this month's softening of *short term interest rates* by warning that its move should not be seen as a signal that short term interest rates have peaked.

Since this time last year the Dow has risen by 8.5 per cent but as ever this modest improvement masks some spectacular performances by some individual stocks. It is difficult to find an ambitious investor who has not at some time or other reproached himself with a "if only I had seen the poten*tial in this, that or the other* stock, I could have made a packet." A fairly common belief is that obscure secondary stocks are the most promising hunting ground for capital gain and many a share analyst spends hours poring over the balance sheets of small and medium sized companies looking for the thoroughbreds of tomorrow.

But the interesting feature of *the New York Stock Market is* that if only a number of household names had been purchased at their market lows over the past year, then some very attractive profits could have been made. Take Boeing Corporation for instance. In the past year, the stock bottomed at $23¾ but a relative inundation of new aircraft orders from the world's airlines has carried the price to a 196 per cent gain of $76⅝. General Dynamics, the U.S.'s largest defence contractor *has appreciated more than 120* per cent, thanks to a settlement of contract disputes with the U.S. navy and the fact that it is now and was a year ago a respectably profitable and well managed company.

CLOSING INDICS

	Close	Change
Mon.	855.77	— 3.98
Tues.	851.78	— 3.99
Wed.	839.22	—12.56
Thurs.	840.87	+ 1.65
Fri.	834.63	— 6.24

MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1978/79 High	1978/9 Low	
Ind. Ord. Index	467.3	+ 2.3	535.5	433.4	*Despite grim labour situation*
Government Secs. Index	65.80	— 0.76	78.58	65.80	Interest rate and other worries
Aeronautical & General	130	+24	135	85	Bid possibilities
Alpine Holdings	100	+17½	100	36	Speculative demand
BAT Inds.	313	+30	346	260	Excellent annual results
Bolton Textile	22	+ 5	24	10	Persistent demand in thin market
British Car Auction	68½	+ 8	68½	40	Possible bid candidate
Caledonian Holdings*	88	+20	88	68	London and Midland surprise bid
Castlefield	283	+28	305	165	New rationalisation hopes
Chaddesley	75	+15	75	34	Investment recommendations
East Lancs. Paper	79	+ 9	80	43	Investment demand
Glanfield Lawrence	56	+23	56	29	Bid possibilities
IDC	150	+20	150	104	Impressive profits recovery
RTZ	278	+20	280	164	Strength of base-metal prices
Roan Consolidated Mines	100	+23	100	52	*Boom in copper and cobalt prices*
Stock Conversion	306	+18	310	216	Investment recommendations
Whessoe	101	+11	101	63	Favourable press mention
Williams & James	147	+22	147	47½	*Investment recommendations*
Yarrow	345	+35	345	260	Vosper increases stake

* Based on Wednesday's opening price.

High-ho Silver

SILVER speculators are smiling again after a long period of discontent. While the surge in copper and lead prices on the London Metal Exchange this year has captured most of the headlines, silver prices have *moved to* record levels with a rise of over 30 per cent (from 298p to 334p an ounce) in the past three weeks.

The sharp rise in base metal prices, which will have more important repercussions for industry, has been one of the influences pushing the cost of silver up too. But it also seems that silver on its own account is now *finding favour* again with investors.

Last year investors shunned silver in favour of gold and platinum, whose prices rose spectacularly. U.S. speculators exercised their new found freedom to buy gold instead of silver as a substitute, while a shortage of supplies boosted platinum.

However there are increasing doubts whether the rise in gold and platinum can be sustained to much higher levels, so speculators are taking another look at silver. It is argued that silver, as a traditional "hedge" against inflation and currency changes, has become very much undervalued and needs to catch up with its fellow precious metals.

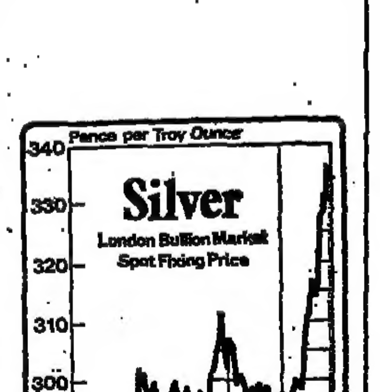
Although silver has lost much of its monetary role by no longer being used widely for coinage, it has a growing market in medallions and commemorative collections whose owners welcome an upward trend in prices.

SILVER

JOHN EDWARDS

At the same time it is an important industrial metal. Photography is the largest single outlet but it also has big sales to the electrical industry, and for *alloys, electroplating*, and tableware.

New production of silver, which is mainly produced as a by-product in the mining of other metals, is well below annual consumption. Last year, for example, *silver mine output* was only 265m ounces against consumption of 423m ounces. A large proportion of silver used *for films is* recovered to be used again, but nevertheless there is a substantial supply deficit each year.



However the fundamental shortfall in production is offset by the "mine above the *ground*"—the huge stocks of silver built up over the centuries in coinage and by hoarding, especially in Far Eastern countries.

The latest estimate of easily available world silver stocks is some 734m *ounces, but it is* impossible to say just how much is tucked away in India and other countries which traditionally hoarded silver.

It is also impossible to forecast what price levels are required for these *stocks* to be attracted to the market. Current thinking is that it will require considerably higher price levels to unleash any major new outflow from surplus stocks bearing in bind inflation and the reduced value of the dollar. But hovering in the background is the possibility of a big release of 139.5m ounces of surplus silver from the *U.S.* strategic stockpile.

FINANCE AND THE FAMILY

The new state pension scheme

BY OUR LEGAL STAFF

I have recently joined a new company after having had several jobs in respect of which my pension rights are frozen. My new firm has little or nothing in the way of pension provisions, so I suppose it might be better for me to contract into the State scheme, as I understand the pension is awarded on the best 20 years earnings. Is this so?

I understand additional voluntary contributions are tax deductible in their entirety. Could I arrange with my employer and an insurance company to make such eligible payments?

I have read that it is not worth an employee's while to make voluntary contributions if he may move and that he would be better advised to put his money into some form of endowment policy Do you agree?

You are automatically in the new State pension scheme (the "Castle" scheme) *unless* your employer has a pension scheme that is better than Castle, *and* has elected to contract you out. There is nothing to prevent him running a pension scheme on top of Castle and the State flat rate scheme. From what you say, your employer offers "little or nothing" in the way of pension and so we presume that you must be in the Castle scheme.

The Castle scheme only provides benefits for service after April, 1978. You do not state your age. If you are 40 or more you will only get 1/80th of your earnings in excess of £19.50 per week for each year you contribute and earnings in excess of 7 × this figure are ignored. These earnings are, it is true, revalued but then so is the first tier of earnings that does not count for Castle pensions. It is only if you have more than 20 years to go until age 60 that your pension is based on the *best* 20 years. This is because service in excess of 20 years does not count for Castle.

It is only possible to pay voluntary contributions if you are actually in a scheme run by your employer and if that scheme provides the facility. If you are not in a scheme then you can go to an insurance company and pay self-employed contributions. Intrinsically, both voluntary contributions and self-employed retirement annuities ought to be better investments because you get 100 per cent tax relief on your contributions and these contributions when invested earn interest, dividends, etc., free of tax.

What you have read relates to special circumstances only. A senior executive, for example, who is in a powerful position to negotiate a special deal with an employer giving the Inland Revenue maximum pension as part of his service agreement, gains nothing by paying voluntary contributions because any pension bought by voluntary contributions is knocked off the amount the Revenue allow his employer to provide him. A young employee in a 60ths final salary scheme expecting to complete 40 years and so get the Revenue maximum (40/60ths) would likewise gain nothing. For the majority of people it makes sense to pay voluntary contributions or buy a self-employed policy. An ordinary endowment does not give such a good tax deal but you can surrender the policy, use it for borrowing or other purposes before retirement. The choice, therefore, depends upon personal needs and circumstances.

Foreign land, loans and taxes

Is the interest on a loan raised to purchase land outside the UK eligible for tax relief? Are the subequent annual taxes payable on the land to the foreign tax authority eligible to be offset against UK income tax? If one or both of these are allowable and have not been claimed, how far back can one go—6 years?

You presumably have a specific situation in mind and, as the rules are complex, it is difficult to give you an answer of reasonable length without more precise facts and figures. We take it that you have read the free Inland Revenue booklet (IR11) on the tax treatment of interest paid, which has been mentioned in our columns from time to time.

From your final question, we infer that the loan was taken out before March 27, 1974. That being so, and on the assumption that the interest is payable to a lender who is not resident in the UK, the interest should be deductible from the rent, etc., from the land in arriving at the income assessable under case V of schedule D, up to and including 1979-80 (by virtue of the current version of section 122(1)(c) of the Income and Corporation Taxes Act 1970). The preceding-year basis may, of course, give you relief up to 1980-81.

If the facts are different, you will not necessarily be denied relief, but the lines of distinction are drawn arbitrarily and have altered over the years since April 1972. Your best move is to lay the full facts before your tax inspector (before next April), and to come back to us if you encounter specific problems or are not satisfied with the inspector's interpretation of the law—giving us as much details as you can.

If the foreign taxes you have in mind are charged on income and correspond to income tax, they should be eligible for credit against the case V income tax on the rent, etc., from the land in question, under either section 498 of the Taxes Act or the double taxation agreement (if there is one) between the UK and the country in question. In a good library, you will probably find copies of the UK's current and prospective double taxation agreements with, for example, the U.S. in volume F of Simon's Taxes.

Although 1972-73 is the earliest year of assessment for which you can undoubtedly claim tax credit relief, etc., the time limit may extend farther back than that. In Simon's Taxes, or another reference book in the library, you may like to see whether you can benefit from, for example, section 513 of the Income and Corporation Taxes Act 1970 or section 33(1) of the Taxes Management Act 1970.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Gains on shares and unit trusts

With reference to your reply under Gains on Shares and unit trusts in your issue of January 6, I should appreciate some clairification concerning the treatment of allowable losses carried forward. An article in your issue of December 23 by Eamonn Fingleton on "Bed and Breakfasting Unit Trust and Investment Trust shares" was most informative, but warned of the intricacies of the new CGT rules, but it would seem that gains solely from the sale of Unit Trust and/or Investment Trust shares up to a maximum of £5.760 will not attract CGT. I have approximately £5,000 allowable losses carried forward and an estimated £5,000 gains on paper from Investment Trust shares which I am proposing to "Bed and Breakfast." Can you please tell me whether the £5,000 losses carried forward can be used to set against any gains arising from the sale of ordinary shares either during the year 1978-79 or subsequently?

The point raised in your inquiry was discussed in a reply published in the Business Problems column on October 18, under the heading "Setting losses against gains," as well as in replies published in the Finance and the Family column in 1977 (on May 7, June 4, July 30, September 3 and October 29). The answer, briefly, is that we see nothing in the CGT legislation—from section 20(4) of the Finance Act 1965 to section 44(4) of the Finance Act 1978—which compels you to waste CGT losses by deducting them in assessments which would carry no tax liability anyway.

If possible, we suggest that you realise £5,000 non-qualifying gains this year (by bed-and-breakfast transactions, if you wish), as well as the £5,000 qualifying gains — on the assumption that all your investment trust shares are fully qualifying shares, as defined in section 112 (2 and 12) of the Finance Act 1972. This will avoid arguments and a possible appeal hearing before the Special Commissioners over the precise meaning of the words approved by Parliament. An ideal situation would be to realise qualifying gains of £5.758 plus non-qualifying gains equal to your allowable losses:

Qualifying gains		5,758
Other gains	say	5,000
		10,758
Losses	say	5,000
Taxable amount		£ 5,758
Zero on the first £1,000		
15% on the next £4,000 =		600.00
50% on the top £ 758 =		379.00
		979.00
less: 17% credit on £5.758 =		978.86
Nominal CGT liability		£ 0.14

Preference share gains

On some ordinary shares I held, I received in 1966 a capital issue of 7½ per cent preference shares. These I sold in 1977 and showed the amount realised, £24, in my return for that year and the cost as nil. In 1977-78 I sold by holding, and the Tax Inspector drew attention to the preference issue which I had not shown in my 1977-78 return. I explained I had already shown this in 1966, but he has ignored this and adjusted the original price of the shares to take account of the capital issue. Is this right?

It would have been easier to help you if you had given us more precise facts and figures. At one point you say you sold the preference shares in 1977, but elsewhere you imply that you sold them soon after their issue in 1966.

If the £24 chargeable gain which you mistakenly returned for the preference shares was included in an assessment made on or after April 6, 1972, you should now claim relief for the tax year in question, under section 33 of the Taxes Management Act 1970.

On the other hand, if the relevant assessment notice was issued on or before April 5, 1972, your only line of approach appears to be to point out to the inspector that, in agreeing your original computation, he agreed that only a negligible (effectively zero) proportion of the cost etc of the original shares be apportioned to the preference shares and that he cannot resile from that agreed apportionment at this late stage.

At last, a change of heart

SUDDENLY, it seems, we are in the midst of a base-metal boom. In fact, as the accompanying graphs show, the recovery in prices of lead, copper and zinc has been going on since early last year and what is happening to them at the moment must reflect to some degree a burst of speculative activity on top.

Not all metal prices are moving ahead. Tin has been coming down after its previous heady climb while nickel is still in the doldrums and iron ore remains a buyers' market. Copper, as

MINING

KENNETH MARSTON

ever, is the one to have captured the speculative fancy and its latest rise in price owes much to a slowing down of supplies from Zaire and Zambia as a result of transport difficulties and production problems.

In other words, there is a good deal of climbing on the band-wagon in metal markets pending the anticipated upsurge in usage of metal as opposed to consumer restocking. Thus, it may be argued, copper is heading for a sharpish reversal after the rise this week of £83½ to £945 per tonne, the highest price since June, 1974.

Although U.S. economic indicators, for example, are not particularly encouraging at the moment it cannot necessarily be assumed that the revival in metal prices is premature. After all, prices are only beginning to reach realistic levels in the light of present circumstances; the current U.S. copper price of around 84 cents per pound is still well below that required to justify the development of a new mine

What seems to me to be more important is that the awaited change in basic thinking appears to have taken place. Only a month or two ago, the mining industry was still thinking in terms of mere survival while metal consumers saw no need to finance stocks. Both sides realised that the picture would eventually change and now they are thinking in more positive terms.

Already mine earnings have moved ahead from their previously marginal—or sometimes non-existent—levels. And the change in heart has been underlined by results from the transatlantic resource companies this week. Towering above them all have been the earnings of the greatly diversified Amax in which London's Selection Trust has a stake of 8.3 per cent.

After a buoyant fourth quarter when Amax made \$60.8m (£30.5m) the total net earnings for 1978 have climbed 34 per cent to a record \$160m, or \$4.14 per share. Earning more for the U.S. group have been molybdenum, copper, coal, iron ore, oil and gas. Less has been made from lead—because of the strike at the Missouri operations—and zinc while nickel has made a loss, albeit less than in 1977.

Mr. Pierre Gousseland, the Amax chairman, has forecast that earnings will be even better this year, "barring the unlikely prospect of a severe disruption in the economy." Shareholders will thus be hoping that Amax will further reduce its purse-strings: the current quarterly dividend rate was raised to 55 cents from 43¾ cents in October last year, the first increase since December, 1974.

Another major metal concern to scent a change in the wind has been the **Anglo American Corporation** group's Canadian producer of copper and zinc, **Hudson Bay Mining and Smelting.** Following its last quarterly payment of 20 cents in September 1977, Hudbay is returning to the dividend list with a quarterly distribution of 10 cents (4.2p), "in the light of improved metal prices and the current outlook."

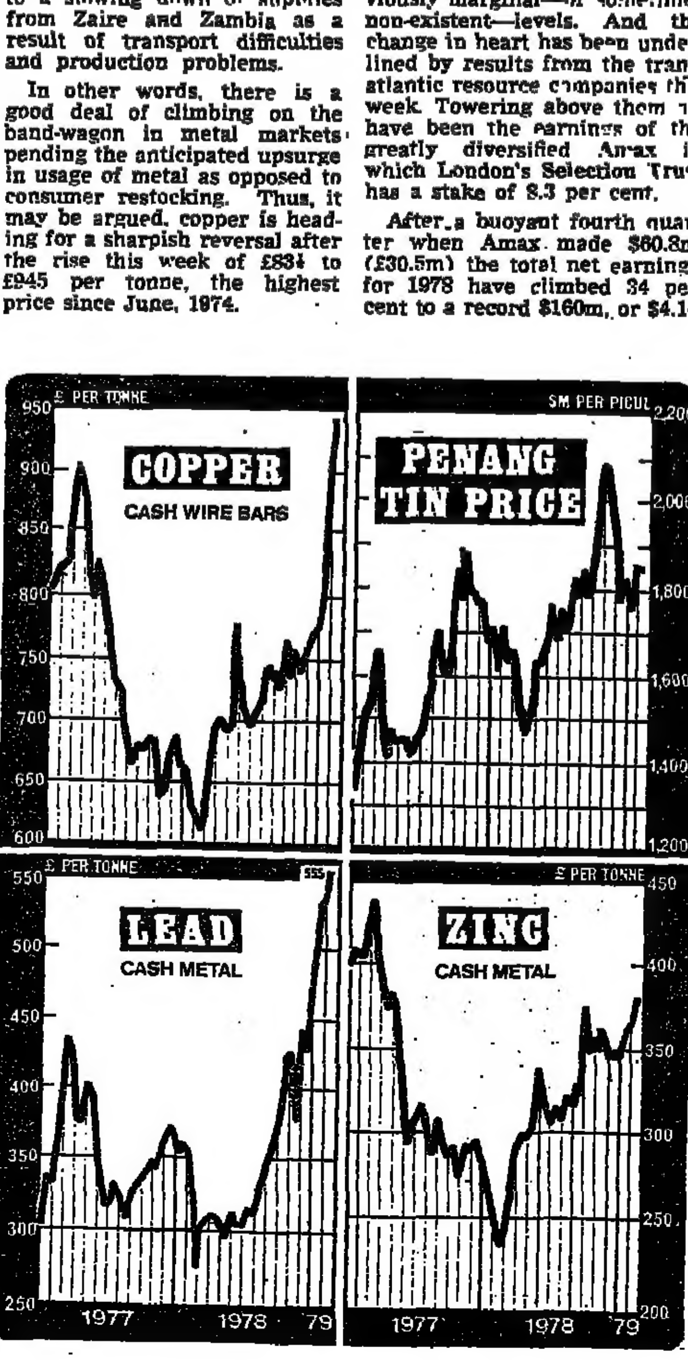
Freeport Minerals has announced buoyant fourth quarter earnings of \$9.39m which make a 1978 total of \$31.3m compared with \$21.2m in 1977. More good news from the metal miners has to be on the way, but at this stage in the game an investor should play on the safe side and go for the shares of the major diversified companies.

In the UK he could do worse than gather the strength of **Rio Tinto-Zinc** around him. There is no dollar premium to be paid on the shares and they have the advantage of being exempted from UK dividend limitation because of the company's large overseas earnings. The pending results for 1978 may not be brilliant, but they should be better than seemed likely at the half-way stage.

Finally, let us not allow our hopes for base-metals to eclipse those for the gold producers which remain in a buoyant earnings phase. This year could see some exciting new developments in the South African scene. This week we have learned that **Western Deep Levels** is considering a R300m (£175m) gold expansion programme which would involve opening up the neighbouring Ultra Deep Levels area.

Also known to be under consideration is a possible new gold mining expansion to the north of **West Driefontein** and **East Driefontein** mines. Clearly, a great deal depends on the likely course of the bullion price, but it is keeping up well despite the large sales by the U.S. Treasury.

Mr. Robert Guy, one of the leading figures in the London bullion market and a director of N. M. Rothschild and Sons, has forecast that the revival of the metal as a reserve asset in the proposed European Monetary System should help the gold price to move up into a range of \$260 to \$290 an ounce this year.



COLLECTING

The Biedermeier interior

BY JUNE FIELD

BIEDERMEIER furniture of the early 19th century is sturdy and sensible, with good clean lines, ideal for everyday family living. Occasionally though it lapses into the grotesque, as in robust, top-heavy pieces over-ornamented with heavy gilt bronze mounts, stamped brass sheets, ebonised columns, fussy pediments and so on.

The term Biedermeier, which applied to the whole life-style of German-speaking countries during the years between Waterloo and the revival of the rococo, is a combination of *bieder*, plain, unpretentious and inoffensive, and *Meier*, one of the most common German surnames. (So a *Biedermann* is an honest upright citizen, irreproachable and solid.) The name was given to an imaginary poet invented by Heidelberg physician and university teacher Adolph Kussmaul and Ludwig Eichrodt, chief district judge in Lahr, Kussmaul being inspired by the poetry of a village schoolmaster Samuel Friedrich Sauter, to write ironical poems in Sauter's style under the pseudonym Gottlieb Biedermeier. He made his first appearance in 1853, and from 1855 appeared regularly in the humorous journal *Fliegende Blätter*.

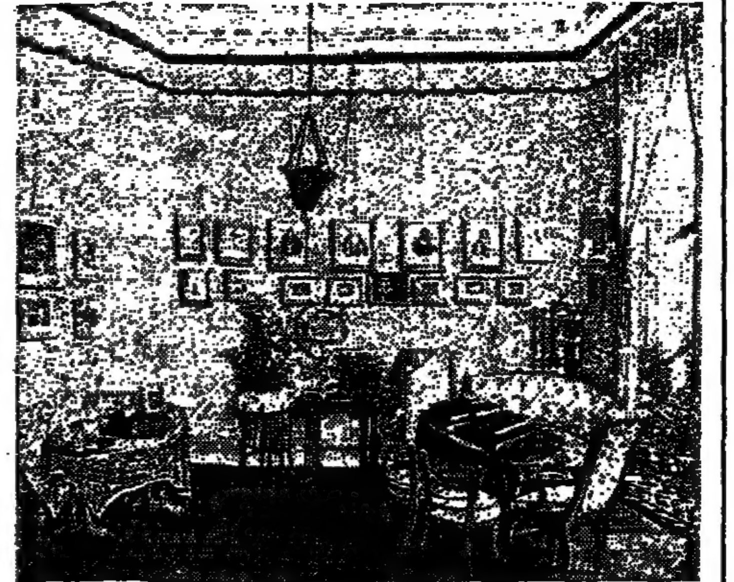
It was not until the 1890s that Biedermeier became the accepted term for the decorative arts of the early part of the century, a description at first mocking and derogatory—Fritz Minkus, a contemporary writer called it "a style whose main characteristic is its lack of style—of infinite dullness and irredeemable tastelessness which we have long since considered beneath us and held up to ridicule."

Interest in what above all is a typically *gemütlich* and homely way of living, has been revived this week by the opening of a remarkable exhibition at the Victoria and Albert Museum until April 1—*Vienna In The Age of Schubert—The Biedermeier Interior 1815-1848.* The organisers, the Museum of Applied Arts in Vienna, a daughter institution of the V. and A. have chosen Franz Schubert (1797-1828), as an appropriate musical patron because his works were mostly for a small number of amateur musicians to appreciate and perform at home. (Perhaps this may account for the fact that when he died, aged 31, his possessions were valued at only 63 Vienna florins, £2 10s).

In this Vormärz period, restricted by political constraints and the forcible intervention of government censorship in all areas of daily life, first the middle classes and then the aristocracy turned their backs almost completely on public life. Writing in the lavish catalogue, exhibition organiser Dr. Christian Witt-Dörring points out: "The consequence of this was refuge in a peaceful and sheltered domestic life within the family, in which sufficient space and time was given over to the cultivation of personal interests. Among the basic features of this highly developed family culture were the *organisation of family* musical evenings and domestic cultivation of the arts. (A) harmonious family life which, organised into a private, self-contained little world of its own, helped give their lives meaning."

Adalbert Stifter (1805-68), in his novel *Nachsommer*, designated "pure family life" as "the *greatest happiness.*"

The living-room, the focal point of the family, was accorded such a degree of significance and importance that it now became an independent theme in painting, so demonstrating an important characteristic of Biedermeier man, who was very anxious to document and record his beloved and familiar environment.



In the Victoria and Albert Museum's exhibition "Vienna in the Age of Schubert—the Biedermeier Interior 1815-1848," a watercolour of a typical Biedermeier living-room, showing the arrangement of the furniture to provide Wohninselm (activity centres), for individual interests of the family.

The formation of *Wohninselm* (activity areas)—the arrangement of various groups of furniture in accordance with the different interests of individual members of the family—were obviously the forerunner of Victorian English "cosy corners." *Bedrooms* doubled as private sitting-rooms for parents, fitted out with a comfortable chair or couch and *writing table. A delightful* watercolour by Johann Stephen Decker in the exhibition shows a typical dressing-room of the period, whose furnishings included a particularly useful item, a *Taschenleher* (pocket emptier), also called a *Servante* (small glass cabinet), on which the contents of the pockets when undressing could be stowed away.

Collectors and historians should certainly have a copy of George Himmelheber's scholarly book *Biedermeier Furniture* (Faber and Faber 1974, £17.50, newly bound, and still in print). It is the definitive work in English which sparked off interest in the whole Biedermeier *ambiance*, documenting the original exhibition put on by the Vienna Museum in 1896 which marked the beginning of a new and more objective attitude towards Biedermeier. The excellent catalogue of the new exhibition at the V. and A. brings fresh light on the leading Viennese cabinetmakers Benedict Holl (1753 or 5-1833), and Josef Ulrich Danhauser (1780-1829), originally a sculptor by training, together with *his eldest son, distinguished* painter Josef Franz Danhauser (1805-1845).

Biedermeier furniture does get into auction from time to time—there were eight lots due to come up at Sotheby's yesterday, and on Thursday Christie's have two work tables, a dressing-table, secretaire and six walnut dining-chairs in their Continental furniture sale. The estimates of between £150-£400 on each item, do not seem untoward even though the pieces are only attributed to style rather than designer or country of origin.

How to avoid the comprehensives

EDUCATION

MICHAEL DIXON

BELOW the word "Headmaster" on Donald Mathewson's study-door in the Allhallows independent school in south-east Devon he might fairly add the subsidiary title: "and Marketing Manager." The reason is that, having identified what he sees as two kinds of growing consumer-need for independent *schooling, he has swiftly* organised Allhallows to supply them.

"It all began when I noticed an increase in the number of parents wanting to move their children from the State to the private system at the end of their primary schooling," he said this week.

In most instances, these parents had been satisfied with local authority education up to the 11-year-old stage, but were worried about sending their offspring on to comprehensive schools.

No doubt the majority of people working in education would summarily convict such parents of social snobbery. But for families realistic enough to have noted that a successful record in education is fast coming to have a dominant influence over a youngster's career prospects, there is evidently a rational argument for avoiding comprehensives.

I am beginning to suspect that the same child would have less likelihood of being so motivated in a comprehensive school than in one of the selective kind. The suspicion rests on a well observed general tendency among children to prefer being *in the swim even if it means* working hard, to being out of the swim. So it would seem to follow that on average a youngster would have a greater prospect of being motivated in *a selective school where it is* fashionable to be successful, than in a comprehensive where the tendency is often the other way round.

But moving a child from State to independent schooling at the age of 11-plus is a risky business. Fee-charging secondary schools prefer to recruit pupils at the age of 13 through the Common Entrance examination. The child from the State primary will therefore probably have to spend the next two years in a private preparatory school. This means breaking into a class of pupils who have mostly been together since they were eight, which can be a considerable emotional strain. In addition, the prep's syllabus is likely to differ from that of the primary school. So the youngster could find a good deal of previous learning no longer applicable, while having only two years in which to catch up a lot of ground in other directions before the Common Entrance examinations, on which admission to an estimable independent secondary school would depend.

Hence Mr. Mathewson's scheme at Allhallows, which takes only boys in its lower forms although there are now 29 girls in its 130-strong sixth forms. To lessen the strain and risk of transfer at the end of State primary schooling, he *has set up a selection procedure* for the 11-plus age group.

Candidates first write an autobiography and send it together with references to Allhallows. The youngsters then go to spend two days at the seaside school in Rousden where they undergo tests of their IQ and of attainment in English and mathematics and an interview on the basis of their autobiography.

Those selected are told that provided they earn favourable reports during the next two years at a preparatory school, they will be guaranteed a place at Allhallows regardless, in effect, of their results in Common Entrance. Candidates judged to be outstanding—and not just academically—could be offered financial assistance towards paying the school's £704 termly fee. Moreover, *exceptional candidates could* also gain modest reductions in the fees of several of the 20 or so prep schools which Mr. Mathewson, having no directly linked preparatory establishment, has so far persuaded to associate themselves with the scheme. The first tests will be held on April 20 and 21.

His other marketing development is intended to help parents who wish to transfer boys or girls to an independent boarding-school sixth form after they have completed the GCE Ordinary-level stage at 16-plus.

Here Allhallows is to offer senior studentships to youngsters whose academic and other record as judged by references from previous head-teachers, and performance in the auto*biography-cum-interview process* are considered to merit a reduced fee.

"We'll probably give a 10 per cent reduction as of right to a boy or girl who is good, and 20 per cent in the case of one who's damned good," Donald Mathewson said. "But beyond that, if a family's finances justified it, we'd be prepared to defray up to 60 per cent of the fees.

"I can't see it would be right to give more than that," he added, "because it must cost at least two fifths of our fee level just to keep a youngster of that age in food and so on at home. I mean, they eat like horses, don't they? They simply shovel the stuff in."

YOUR SAVINGS AND INVESTMENTS

Official red tape is threatening the big banks' freedom to provide overdrafts to personal customers, writes **Michael Lafferty**

Battle of the overdraft

IS THE British overdraft about to disappear as a result of the bureaucracy of the Consumer Credit Act? The clearing banks generally have been complaining about the threat to this great British institution ever since the Consumer Credit Act hit the statute book back in 1974. The truth is likely to emerge in the next 12 to 18 months as the Government moves to implement further stages of this purely enabling, though highly complex, Act.

Possibly the greatest question mark is whether the Government will treat overdrafts as "exempt" agreements. Unless exempted, every overdraft will have to be formalised in a written agreement. In addition, the agreement will have to quote the total charge, or supposed "real" cost of the overdraft, as a percentage. This, the clearers say, is impossible since overdraft interest is calculated on day-to-day balances which cannot be determined in advance.

The only alternative may be for the banks to make use of their own "secret" credit limits, which attach to the accounts of many customers and determine when a bank may really start to return cheques. This the clearing banks are very reluctant to do because experience indicates that as many as 50 per cent of bank customers exceed agreed overdraft limits each year. And once customers know their real limits the chances are they will continue to behave as before.

So unless overdrafts are exempted from written agreements customers will probably suffer many more "bouncing" cheques.

Another feature of the Consumer Credit Act which is giving the clearing banks headaches concerns the right of customers to ask for quotations of what a particular form of borrowing will cost. Not only is a person likely to get different quotes for the same facility depending on how each bank sets credit limits, but rates could even vary according to whether a particular bank charges interest quarterly or half-yearly.

Nevertheless, Frank Eglon, Midland Bank's consumer credit expert, remains confident that whatever emerges will not stop the overdraft system outright. It will simply mean less flexibility in what the banks regard as the most flexible customer arrangement they have. So overdrafts should continue to be available but may have to be accompanied by much more paperwork, while bank customers may have to be more careful not to go over the limit. To this extent at least the Consumer Credit Act will increase the cost of the overdraft.

"The customer has to pay for his own protection," says Brian Washington, National Westminster's expert on the Act.

Money Monitor

Gilts have the edge

Any basic rate taxpayer who rushed to buy the new National Savings Certificates issue this week has thrown money down the drain. He would be far better off investing in short dated Government Securities.

The new certificates offer a return of 8.45 per cent over five years. But basic rate taxpayers can buy short-date gilts which will show a net return of 10 per cent or more over a similar period. Investors in gilts have, of course, the bother of having to re-invest the income that accrues if they do not need it in the interim. This can, however, be turned to your advantage if you feed the income into a high-yielding insurance-linked building society savings plan, which could boost the rate of return to as much as 10½ per cent net of tax.

Even for people paying up to 45p in the £ tax, gilts are probably a better bet. The only investors for whom the new certificates are supreme are those on really high tax rates.

The best illustration of the sort of returns now available in the gilts market is Exchequer 10 per cent 1983, which is due for redemption in December 1983 so has a term very closely comparable to that of the certificates. At yesterday's price of around £87, the return to redemption after tax and dealing costs is 9.8 per cent for a basic rate taxpayer.

Here's how the comparison looks for a basic rate taxpayer investing £1,500 (the maximum he can put in the certificates). He is sure of a pay-out total of £2,250 after five years with the certificates.

If instead he goes into Exchequer 10 per cent, he will have enough to buy £1,700 nominal with some change left over. The stock will pay nearly £114 a year after tax—adding up to a total of nearly £570. So even without reinvesting the income he is assured of a total return of £2,270.

The income will, however, be enough to fund premiums of £9.49 a month into an insurance-linked savings plan with the Cheshire Building Society. After 4½ years starting in June—the first pay-out date from the stock—the plan will build up to a value of £701.50. There will be a final pay-out of just under £57 interest on the stock plus the redemption value of £1,700. This gives a total of £2,458—and you get the money two months earlier than from the certificates.

This represents an unbeatable net return of 10.7 per cent a year.

The building society rates are subject to fluctuation but this makes very little difference to the sums—the main support for the high return on these plans is tax relief. For the purposes of illustration the sums ignored the fact that the Cheshire, whose plans are insured by the Royal Insurance company, takes premiums in multiples of £1. The minimum you can put in the Cheshire plan is £8 a month.

Paying the piper

Since it was established less than 2½ years ago, Chieftain Trust Managers, under Peter Potts, has quickly established itself as a thriving small unit trust group. Now it is spreading its wings by entering the insurance-linked market in partnership with Lloyds Bank's Beehive Life, writes Eric Short.

The timing of this move, coming in the same week as the thumbs-down for unit trusts charges to be increased, is purely coincidental. But it is a useful pointer to the future for the unit trust industry generally in the face of tight curbs on unit trust charges.

Chieftain is not only offering investors a tax efficient regular savings route into its six individual trusts. It is also providing management of those trusts through a managed equity growth fund and a managed equity income fund, where it will mix the proportion held in each trust to meet current conditions. In particular, the income fund will be managed to ensure that the 5 per cent withdrawal facility will be met out of income and the investor will not have to cash in units to pay for the withdrawal. One drawback of withdrawal schemes is that in a bear market the investor may eat into his capital in order to provide income.

The attraction of insurance plans for unit trust groups is that charges are not controlled and so can be considerably higher than on direct holdings of units.

On the bond side, Chieftain's charges are highly competitive compared to most other groups' bonds—but, at 5 per cent initially and ¾ per cent annually, they are still more than you would pay on a direct holding of Chieftain units.

There is a 50p policy charge on the regular savings plans and the first three months' contributions go towards expenses. Thereafter 100 per cent of your money is invested for you.

Freezing out the small man

THIS WEEK'S Price Commission report on unit trusts was cold comfort for small investors.

The commission firmly slapped down an application from the Unit Trust Association for higher fees for looking after unit holders' investments. The commission's reasoning was that overall the unit trust industry does well from the present charges system. The industry would probably dispute the figures on which this view was based—but in any case the commission offered no direct reply to the association's contention that small unit holdings are now desperately unprofitable.

The debate centres on the annual charge of ¾ per cent of total funds under management which most unit trust groups make for managing investors' money. This means that for an investor with a holding worth £1,000 the annual charge is less than £4. Mr. Edgar Palamountain, chairman of the Unit Trust Association, maintains convincingly that this is not enough to pay for postage, printing, stationery and other basic administration costs.

The Price Commission believes that the annual charge should not be seen in isolation but should be seen in the light of the large initial rake-off—usually 5 per cent—which unit trust managers take from the investor's original stake. The commission also points to the large profits many groups make from dealing in their trusts' units.

The commission's trump card was figures for the industry's profitability which surprised many in the City. The M and G group, for instance, showed a profit margin of a staggering 46 per cent in 1977 on the Price Commission's definition. This expressed net profit before interest and tax against net revenue after deducting commissions and other payments made to sales agents.

Despite the commission's dexterity with the profit figures the industry is sticking by its guns. So in the absence of some adjustment in annual charges, its only logical move is to squeeze out the small investor. The minimum investment is at present around £300 on average and groups like Hill Samuel go as low as £25 in some trusts. Mr. Palamountain now reckons that £1,000 will soon be the norm.

The only ray of hope for the small investor is in the suggestion from the Price Commission that the Department of Trade should eventually abandon its control of charges in favour of a system where competition kept them down. The commission's idea is that if savers were better informed they would shop around for the best charges deal.

Opinion

One side effect would be that under such a regime, groups would be free to charge whatever level of fees is necessary to recover the full cost of running small unit holdings.

The trouble with the Price Commission's solution is that it is utopian. Even those who believe in the market system's efficiency in eliminating pricing anomalies in the supply of most goods and services must have misgivings about freeing such a delicate area as unit trust investment from official controls. Certainly, there is little evidence that investors in investment bonds, where charges are not controlled and vary enormously, shop around for the most competitive deal.

If more information on fees were available, how should the public interpret it? The level of fees for investment services can be ambiguous: low fees, for instance, may be charged by a good group passing on the benefits of its efficiency or a bad one desperate to drum up business.

But, in any case, as far as initial charges are concerned, would more variety make much difference to investors? The spread between the bid and offer prices of units is of far more interest to them. On the commission's own admission, spreads are already under pressure of competition and, at around 7 or 8 per cent, are down to not much more than half the theoretical maximum allowed under Department of Trade rules. The size of the spread is as important a factor in determining unit trust groups' profits as the initial charge. The point is that where, as is often the case, units cashed in by an existing unit holder are sold on to a new entrant to the fund, the group's profit is whatever spread is involved—the initial charge matters only where new units have to be created.

Significantly, the spread on many trusts which exact the maximum 5 per cent initial charge is lower than the spread on trusts which have exceptionally a 3½ per cent initial charge. Many Save and Prosper trusts with a 5 per cent initial charge, for instance, have a lower spread than M and G's, which are on a 3¼ per cent basis.

The real disappointment of the Price Commisison's report was that it was so dismissive of possible alternative systems of charging incorporating flat-rate fees. A system could, for instance be devised involving a flat charge of say £3 a year per unitholder to be deducted from his income and this would be earmarked to cover the irreducible minimum costs of running a unit account however small. On top of this the group could be given a tiny percentage rake-off, say ¼ per cent, to give it an interest in the success of the portfolio.

Such a system would have given the Big Six of the industry total annual fees of about £6.6m in 1977, about £1m more than they actually received under the present system.

Edgar Palamountain: not enough

Its advantage would be that without increasing significantly the cost to investors, it would give management groups far more incentive to run their lameduck trusts properly.

The Unit Trust Association points out that there would be considerable costs in switching over to a flat-rate system. But probably a bigger problem for the assocition is that it would blow wide open the association's fragile unity. Everyone in the industry has something to gain for a bigger percentage management charge—but a combination of flat-rate and percentage charges would be more favourable to some groups than others.

EAMONN FINGLETON

THE PROFIT OF THE UNIT TRUST MAJORS: THE FIVE-YEAR RECORD

Net profit/(loss) before interest and tax as a percentage of net revenue from unit trusts.

	1970 %	1974 %	1975 %	1976 %	1977 %
Save and Prosper	8.6	35.4	22.9	11.1	26.3
M & G	39.6	20.9	36.8	38.0	46.2
Barclays Unicorn	(3.3)	11.2	(4.9)	*	(9.4)
Allied Hambro	31.3	33.0	36.1	31.6	31.6
Britannia	24.9	26.6	35.5	6.9	33.0
Hill Samuel	(9.2)	(10.2)	44.0	33.7	42.2
Average for the Big Six	11.9	23.8	24.5	15.8	25.5

* Break even

Source: Price Commission

Golden Guineas

COINS

JAMES MACKAY

SINCE THE Middle Ages gold from West Africa had found its way across the Sahara to the money markets of Europe. As early as 1346 a Catalan expedition had been fitted out to go in search of the fabled rivers of gold in the almost legendary state of Ghana west of the Sudan, but it vanished without trace. A century later seamen employed by Prince Henry the Navigator rounded Cape Verde and penetrated the rich gold-bearing regions of Upper Senegal and Guinea. Direct access to gold transformed one of the poorest countries in Europe into the richest. Portugal had a head start in the economic race and fully 200 years elapsed before she was overtaken by her competitors.

English interest in West Africa developed slowly in the Elizabethan period but it was in the reign of her successor, James I, that the African Company began making serious inroads into territory hitherto dominated by the Portuguese. The Civil War was a major setback but following the Restoration in 1660 the African Company expanded its operations considerably and thereafter the volume of gold bullion imported into England grew enormously.

The great increase in these imports coincided with the change from the traditional hammered gold coins to the new milled coinage which made its debut in 1663. These coins were struck in the prevailing sizes and were worth 10, 20, 40 and 100 shillings.

Much of the gold used in the production of these coins came from the previous issues which were gradually called in, but an increasing proportion came from the Guinea imports. Coins struck from the latter were distinguished by a privy-mark below the king's bust, consisting of the badge of the African Company. At first an elephant alone was used, but later this was changed to an elephant and castle.

The presence or absence of these privy marks can make a tremendous difference to the value of the coins, depending on the date of the coin. Coins of certain dates are extremely rare with the elephant and castle mark, while others are more plentiful in this form than the corresponding issue without the privy mark.

The new milled gold coins came to be known as guineas to distinguish them from the units of nominally the same face value. Though the guinea started its career with a value of 20s it soon moved upwards. An attempt to counteract this was the reduction of the weight of the guinea in 1670 from 131 to 129 grains but thereafter it rose steadily in value, reaching a maximum of 30s in the reign of William and Mary. The great coinage reform undertaken in 1695-6 helped to bring the value of the guinea down to a more realistic figure of 21s 6d. In the reign of George I it dropped slightly, to become stable at 21s, at which value it remained for the rest of its career.

In theory England had a bimetallic system of currency, the interchangeability of gold and silver being possible so long as both precious metals were available in sufficient quantities for the sensitive balance to be maintained.

Unfortunately, the price of silver rose uncontrollably throughout the 18th century and eventually reached a point at which coinage in this metal was produced only spasmodically. By contrast, the abundance of gold in the reigns of the first three Georges meant that guineas, their sub-divisions and multiples, were coined in great quantities. It was not until the severe strains on the British economy brought about by the protracted wars with France at the end of the century that gold gave way to paper money for the first time.

From 1797 onwards the Government sought a way out of their monetary problems but almost 20 years elapsed before a solution could be found. In 1816 Britain abandoned bimetallism. A new silver coinage of greatly reduced weight and only token value was inaugurated and henceforward gold alone was the legal standard of value. The adoption of the gold standard was achieved by slightly reducing the size and face value of the gold coins, and in this manner the sovereign of 20s came into being.

The guinea, no longer in general circulation, survived remarkably as money of account, and even now, after a decade of decimalisation, refuses to bow out entirely. As a collector's piece, however, the guinea and its multiples offer immense scope, spanning a period of 250 years.

The chronic shortage of silver even led to the issue of diminutive quarter-guineas in 1718 and 1762 and between 1797 and 1813 there was the third-guinea which echoed the gold nobles of the medieval coinage. The elephant and castle mark survived fitfully till 1726, but in the reign of George II coins from bullion supplied by the East India Company bore its initials. Of particular interest are the guineas of 1745-46 inscribed LIMA, coined from part of the treasure seized on the Spanish Main by Admiral Anson.

Some 20 lots in Glendining's sale of English and Foreign Coins on February 7 are devoted to guineas from Charles II to George III, including the rare two-guineas of 1664 and a number of five-guinea pieces.

هكذا من الأصل

BOOKS

Outlook good

BY C. P. SNOW

Transatlantic Blues by Wilfrid Sheed, Sidgwick and Jackson. £5.50, 312 pages

The Good Word and Other Words by Wilfrid Sheed, Sidgwick and Jackson. £6.95, 300 pages

For some time past, people of good judgment have been telling me about the merits of Wilfrid Sheed. Somehow, until this past week, I haven't read him, except for odd articles. These two books then drilled it into me that my informants were right, and more than right. He is a real writer. In more orthodox terms, he is one of the most interesting writers on the Anglo-American scene.

In modern literary circumstances, any label is better than none, and labels stick. For the rest of his career, Sheed is likely to be classified as the transatlantic man, linked by different strands of emotion on each side, with a splendid ear for both vernaculars. He himself hasn't discouraged this bit of pigeon-holing and the hero of *Transatlantic Blues*, his latest novel, makes his own kind of spurious TV fame because of it. It seems to be a self-diminishing façade behind which Sheed chooses to hide. Actually he is so good that he doesn't need any prop at all. He would have made his name either as an English writer or an American, without any of the double-talk. Still, perhaps it is as well to be clear about his origins.

He *is* English by birth. His father and mother founded the Catholic publishing house of Sheed and Ward—Masie Ward, his mother, wrote a biography, and a good one, of G. K. Chesterton. The family moved to America in 1940, when Wilfrid was a child, have kept the publishing firm afloat in New York, and have retained intimate English links. Wilfrid Sheed includes a short piece about his parents in *The Good Word* and it is a small-scale model of delicacy, astringent taste, and affection. The father and mother are demonstrably more remarkable people than the Chatsworths in *Transatlantic Blues*, an English Catholic family who also moved to America, leaving behind their closest relatives, all impeccably upper-class, Catholics since Elizabeth's time (and, of course, before), becoming faded now, with a derelict stately home and all. These romantic survivors are the only serious flaw in a novel of biting talent. Why is it so difficult to write plausibly about the antique Catholic upper class? They stand out like a bandaged thumb in *Brideshead Revisited*, otherwise an underrated and misjudged work. Sheed shows much more literary tact, but for once his touch is faulty. Maybe a non-Catholic ought to have a try.

Wilfrid Sheed

In all other respects, the novel is fine. The central figure, once Pendrid Chatsworth, now Monty by a stroke of producer's genius, is a star television performer-cum-interviewer. He describes himself, with self-loathing, as a bad blend of David Frost and Norman Mailer. He is unhappy to the edge of despair. His capacity for self-loathing is inordinate. He wants to live a respect-worthy *life*. He wants above all to gain, or recapture, the faith which would obliterate self. He is pining to confess the treacheries of his past. Yet he is high-spirited, active with the lust of the eye and the pride of life.

A good many of the incidents are broadly farcical. I have to say that much of the praise the book has received—and it deserves high praise—seems to regard it as a hilarious romp. I found it dismayingly sad, about as hilarious as Kierkegaard in his less euphoric moments, or any other self-lacerating expression of introspective religious experience. It is black with guilt and doubt. Has any other religion in the world ever inflicted its believers to this degree?

Sheed's talent is deep, sharp and narrow, as G. H. Hardy used to say a certain kind of mathematician, meaning it as an unqualified compliment. He is constantly witty. Sometimes he is very funny. He has constructed a language of his own, made up of demotic American mingled with ironically formal English-English. This language is nicely flexible, and he can use it for all the effects he wants, in the text of his novel and also in his critical essays.

It reminds one a little of the personal language of P. G. Wodehouse, about whom Sheed writes much the most level-headed comment that has yet appeared.

There is one technical grumble. It will sound perverse. Sheed doesn't know when to be boring. Most writers, including the greatest, don't need to know this. They just are boring now and then—often without meaning to be, and for too often and for far too long. But patches of what in polite professional jargon are called rest periods, do help a novel. To be perverse once more, they make the book easier to read. Right through this novel of Sheed's, the attention is strained without any let-up, and this detracts from the reader's spontaneous response.

His essays in *The Good Word and Other Words* are in exactly the same vein as the novel. As he says himself, so they should be. A real writer of his excellence doesn't put on a different suit when he writes critical pieces instead of a novel. His criticism is just as deep and sharp as his fictional work, especially when he is writing of someone he has sympathy with—see the articles on Edmund Wilson, Evelyn Waugh, Thurber, Fitzgerald. I have seen nothing better on any of those. He isn't easily pleased, but is not ungenerous. It is a shade disappointing that his subjects tend to be the conventional subjects of the day. He doesn't stray from the O.K. names of the London-New York axis. That may have been due to the constraints of occasional journalism.

When he gets away from criticism and his concentration on a single writer, to whom he can give his total mind, he is not so impressive. As a rule he is entirely sensible, and writes like a cultivated man of good will, but he doesn't possess much in the way of original social insight or extended imagination. However, he can't be expected to possess everything.

Fiction

Eccentric spirits

BY ISABEL QUIGLY

Happy Endings by Julian Fane. Hamish Hamilton, £5.25. 183 pages.

Survivors Beyond Babel by Mark Ellis. Secker and Warburg, £4.50. 166 pages.

Julian Fane writes with light, exact distinction; with a memorable beauty, too. (Who, having read it, could forget his *Morning?*) The ten stories in *Happy Endings* show many aspects of a rich talent. He is particularly good at what you might call metaphor through objects. Something happens to *things*, reflecting a social or a moral change.

This happens in two of the stories, when houses and their settings are drastically altered, modernised, gadgeted, given seed-catalogue gardens in place of the rambly places they had before. The spirit of place is strong in whatever he writes, so when this spirit is slashed, with however well-meaning a weapon (cleanliness, convenience—but really, as we know, some destructive instinct inherent in modern life; a demon of rationality, suggesting lucrative "improvements"), things alter with horrid speed and reality: not just houses but landscapes and not just landscapes but the people in them. The spirit of eccentricity is strong as well and an encouraging number of the stories suggest that satisfaction may turn up in failure, artistic talent in nasty surroundings, and romance may flower in plainness and middle age.

Then there is description, which short stories, being short, must be wary of, yet Mr. Fane uses with virtuosity and at some length. *One story* is nothing but a description of the kind of horrible hotel in which old ladies can go mad without anyone noticing; another that of a pet dog, a cairn. Few tests for the writer seem harder than six and nine pages on, respectively, hotel and cairn. Well, he passes them. Also there is a sense of people and attitudes, a kind of natural morality found in, broadly, behaviour and, more narrowly, personality. Few writers can conjure goodness, likeableness, so warmly. Finally there is his sense of nature—of natural objects, the countryside, the English landscape; lovingly, familiarly treated. These stories are only parts of a wider world, a spilling over of exuberant gifts. They enrich, with a sort of tender bounty, today's skimpy urbanised experiences.

So, though with less obvious talent and more strenuous-seeming effort, does Mark Ellis's *Survivors beyond Babel*, an ambitious novel and an interesting if not wholly successful one; but with its theme, what could be wholly successful? I take that theme to be a cataclysmic one, something like the collapse of our world, the end of our civilisation and the beginning of something else; the death of the word, communication through some other means. "Babel" can stand for all that and/or for the relationships between the main characters, none of whom, though their lives overlap, seem able to communicate.

Mark Ellis

Like a couple of Julian Fane's best stories, it is set in a Sussex gradually encroached upon by the new world. A family house is crumbling because the money has, across two generations, seeped away, because no-one does anything, decides anything, mends roofs or even keeps out intruders. Terrible loneliness besets its owner and almost everyone else. A psychotic young man is bent on his destruction. The young are beyond him, gone into another world, his young brother chief among them. This boy—already an unmarried father—is besotted with America, with Disneyland fantasies on the downs. Nothing is solved by the end, though they reach an exhausted plateau of sadness and self reproach, possibly drawing breath for a further climb. God, man and the universe are invoked. I said it was ambitious. Yes, but fairly gripping too.

Artist at large

Ronald Searle, with an introduction by Henning Bock and an essay by Pierre Dehaye. Andre Deutsch, £14.50, 234 pages

Ronald Searle pulled out of the British market in 1961 and settled in Paris to draw and paint only what he wanted to. The days of St. Trinian's were long over and the new intellectual Searle was already evident.

The results can be seen in this sumptuous volume. Pictures in pen-and-ink, watercolour, gouache and lithograph reveal a strange imagination that interprets reality from the point of view of someone who knows it only too well but has a secret knowledge of what lies behind it. The subjects vary from pure, or rather impure, documentary, as in the pictures from Hamburg St. Pauli, to mad imagination such as the Notes for a Rape of the Sabines (abducted by an old man with an umbrella on an unreliable bicycle).

There is sometimes more distortion in the central figures than there used to be, but the draughtsmanship is superb. The two nude figures in the first, simple line-drawing of the St. Pauli series are lovely; and a group of similar figures falling from a Tiepolo ceiling to the floor of a museum is as beautiful and funny as well, besides showing off the fine drawing of the architectural background.

The book contains illustrated notes for an autobiography besides the two expert commentaries. *It is excellently* produced, an essential volume for any intelligent person's shelves or coffee-table.

B. A. YOUNG

Denning's discipline

BY DIANA RAWSTRON

The Discipline of Law by Lord Denning. Butterworths £8.00 and £4.50. 331 pages.

When I was a law student, the lecturer's comment "The Court of Appeal held . . . . but Lord Denning, dissenting, said. . . ." was always guaranteed to raise a laugh—but an admiring laugh. It was understood that what Lord Denning thought the law ought to be and how he was achieving that aim was of more interest than what the other two judges had held that it was. The theme of this book, published to celebrate his eightieth birthday last week, is that the principles of law laid down by judges in the 19th century, however suited to the social conditions of the time, should be moulded to meet the opinion of today. He takes some of the principles where progress has been marked and tells the story of his personal contribution to the development of the law.

The son of a Hampshire draper, Lord Denning originally read mathematics but after a short spell teaching at Winchester, he returned to Oxford to take up the law. He took a first in nine months. He was 45 when he became a High Court Judge and after four years went up to the Court of Appeal. Further promotion to the House of Lords came but in 1962 he stepped down from there, where he has said that the odds were 4 to 1 against him, to preside over the Court of Appeal where the odds were only 2 to 1 against. The Court of Appeal also hears several hundred cases a year of which only a few go on to the House of Lords. Thus as Master of the Rolls he has been in a stronger position to influence the development of the law than as a Law Lord.

The issues he has chosen to discuss are fascinating. A major part of the book deals with abuse of power by administrative tribunals, the executive and groups of people. He has been seen as a "union basher" but this is a misinterpretation. He is a supporter of personal freedom and the right to work. He applies the same principles to a trade union as to the Jockey Club. All the recent decisions of public interest are discussed and set in context — *Gouriet, Tameside* and Freddie Laker's Skytrain.

Another section of the book shows the tremendous strides made in the law of negligence, since *Donoghue v Stevenson* (about the snail in the ginger beer bottle) was decided in 1932. Nowadays there is liability for negligent statements and economic loss as well as negligent acts and personal injury.

Lord Denning has been able to achieve these and other changes because of his willingness to refuse to be rigidly bound by the doctrine of precedent where this would cause injustice. The maxim is "Hard cases make bad law" to which he has replied "Bad law makes hard cases." In this book he shows how he had side-stepped unfavourable decisions and openly admits that he has introduced into his judgments material which has not been argued before him by counsel.

The opening chapter of this book tells the young lawyer that he must cultivate command of language. In addition to clarity of expression Lord Denning has a wonderful narrative style which makes his judgments a delight to read. One of my favourite examples is in *Balogh v Crown Court*. A young unqualified clerk was employed by a firm of solicitors acting for the defendants in a pornography trial. Lord Denning tells the story "The case dragged on and on. He got exceedingly bored. He made a plan to liven it up. He knew something about a gas called nitrous oxide, N2O. It gives an exhilarating effect when inhaled. It is called 'laughing gas.' He had learned all about it at Oxford. During the trial he took a half cylinder of it from the hospital car park. He carried it about with him in his brief case."

His plan was to put the cylinder at the inlet to the ventilating system and to release the gas into court. It would emerge from the outlets which were just in front of counsel's row. So the gas, he thought, would enliven their speeches. It would be diverting for the others. A relief from the tedium of pornography. Balogh was caught before he could implement his plan and was immediately sent to prison for six months for contempt. He appealed and Lord Denning ordered his release.

Lord Denning is undoubtedly the outstanding judge of our times. He is wise and humane and thank goodness for that. If a clever judge is to shape the law for modern conditions, it must be someone with those qualities. Purists would argue that judges should not have law-making powers and that such interference is intolerable. Perhaps Lord Denning has not always got it quite right. But in the book he admits his errors and this is part of his charm and greatness. He shows no signs of retiring and as he was appointed before the requirement that judges retire at 75, he has no need to do so. He sits five days a week in court and spends weekends writing his judgments. He ends his book with the words "I must get on with the next case. Nothing must be left undone."

At a distance

BY RACHEL BILLINGTON

Jacqueline Bouvier Kennedy Onassis by Stephen Birmingham. Gollancz. £5.50, 242 pages

Jacqueline Bouvier Kennedy Onassis. At least we know her name. It's never easy to write an illuminating biography of a living subject, harder still when she's a living legend, a main part of the legend being her enigmatic quality. And then to top it all, not even to get co-operation from herself, her family, her friends or, let's face it, anyone who matters in her life. Many a man, even with the carrot of high financial rewards, might have shrunk from the task.

Still, Stephen Birmingham knows her name. He's not so good on other peoples. In one I could easily check he invented a title and misspelt the surname. But that may be unfair. Generally he seems to have done his homework as thoroughly as any sensible man who knows he's short of intimate material. The result is that the most interesting part of the book relates the early history of the Bouviers, the heady days of Wall St. fortunes which lead with such dramatic justice to the Crash.

Our heroine's childhood passed in the kind of luxury that made people outside the magic circle jealous but was never totally re-assuring to those inside. Luckily her mother was a good trouper and when one rich husband, "Jack the Sheik" crashed, she quickly found another even richer. Among all the winners the discarded "Jack the Sheik" comes across as one of the most sympathetic characters in the book, reaching a peak of Lear-like tragedy when, over-excited at the prospect of giving away his beloved *daughter in matrimony*, he becomes so incapacitated with drink that his place is taken by his most hated rival, her step-father.

Stephen Birmingham, in his more analytic moments, makes a fairly convincing argument that Jackie spent most of her early life looking for a strong male figure. Showing laudable gallantry, he makes this need far more important to her than money, power, attention or any of the rather more obvious perks of her marriages. He points out that Kennedy needed her "class" just as much if not more than she needed his success, which was, after all, achieved with her help after their marriage.

Onassis, he suggests, wanted her for the same sort of reason, though in his case it was only to satisfy his personal vanity and not based on good solid reasons of ambition. Jackie, according to Birmingham, married Onassis not for what Olympic Airways could buy—although he has to admit that she herself was their first buy in a thoroughly worked-over legal package—but because she had just lost another strong man in Bobby Kennedy and needed a replacement.

Occasionally this *gallant* approach slips enough to allow quotes from our heroine's detractors. But these, of course, are quickly denied as total fabrication. On the whole, it's only fair to say, Birmingham steers clear of such obvious gutter journalistic tricks.

There is one area, however, where he fails so totally that it would have been better if he'd not tried. The chapter "Having Babies" opens:

> "From a distance, looking back from the late 1970s this preoccupation with having babies seems quaint, a bit old-fashioned. Why should a woman with a slim good figure, who liked clothes and liked to look good in them, be willing (much less appear to want) to spend her first four years of marriage being pregnant more than half the time?"

After several pages worriedly discussing the lack of the pill and the Kennedy clan's addiction to competitive procreation, he is struck with the after-thought that perhaps she liked children. He would have done well to talk to a few slim, well-dressed women (of the late 1970s) about this startling feminine phenomenon.

Mr. Birmingham's efforts to be sympathetic to the poor little rich girl have one result he couldn't have wanted. Instead of appearing as the tough ambitious wildly attractive cynosure of all the world, who only has to smile to bring modern kings running, she appears as a puppet used by men for a quality that she herself hardly recognises.

Maybe this is a true picture. Maybe she *owes her fame* entirely to contact with the Kennedy charisma. But it certainly takes the gilt off the gingerbread—without getting much closer to the gingerbread. In the end I couldn't resist the sexist belief that a woman writer would have a better chance of reaching the soft centre. Failing that, she could write up the Bouvier Kennedy Onassis life as a fine example of the death-throes of a male-dominated woman's world.

PROPERTY/LEISURE

Where relief is needed

BY JOE RENNISON

IT IS now nearly five years since tax relief on mortgage repayments on second homes was renounced in the 1974 Finance Act. (People who had already bought were given a period of grace of six years before the relief was withdrawn.) This was probably fair enough at the time when there was very little money to go around. If you remember, it was at that dreadful time when the end of the world seemed very nigh, and daily one expected to see the shocking sight of building society managers walking the streets with holes in their shoes.

It is still probably fair enough, since there never has been a time since there seemed to have been more than enough money around to satisfy all the customers wanting their first home. But maybe there could be a measure of relief for second-home buyers and for a practical reason.

In most of the building society annual reports, published recently, they go out of their way to mention the fact that they have considerably increased the amount of money they are lending for home improvements. The realisation has finally sunk in that the housing stock is a national asset and to keep that stock in good order is a good investment for the future.

So why not extend that facility to second home owners who are carrying out bona fide repairs and improvements? Their property is also part of the national stock which will be available for future generations. And compared with total building society funds the amount loaned on second home repairs would be minute. The left might howl about it but since most of their leaders enjoy a second home they might see reason.

Be that as it may one of our larger national firms of estate agents hint at a revival on the purchase of such a property. A lot of interest is currently being shown in weekend country cottages in Wiltshire with its fast train services to London and convenient motorway links.

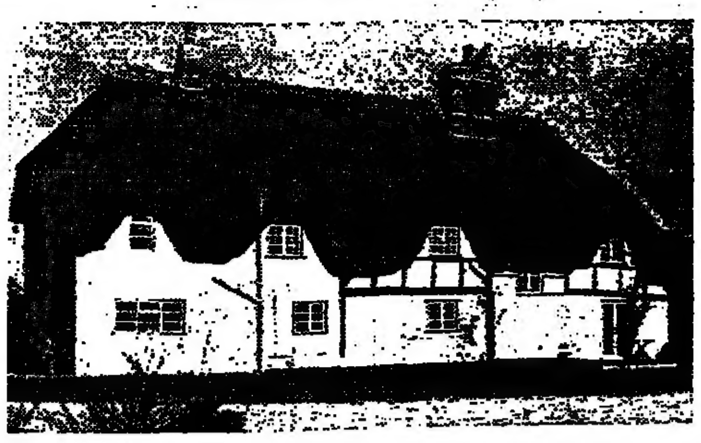
"We find that people whose home ares mostly in the London area are buying them not merely for rest and relaxation but as a real estate investment to provide a hedge against inflation." says Mr. Michael Bruges of Humberts' Chippenham office.

He reports that many inquiries have been coming in concerning two typical cottages on his firm's books. One of them, No. 24 High Street, in the Cotswold village of Sherston is a stone-built period property with two reception rooms, three bedrooms and a walled garden, priced at £30,000.

The other, Old Change Cottage, in the hamlet of Kellaways, near Chippenham, is also stone-built and it dates from the 17th Century. Here too, there are two reception rooms and three bedrooms, but the figure quoted is £27,500. Both cottages have been modernised.

The same Finance Act limited to £25,000 the size of mortgage on which tax relief can be claimed. It is time this was looked at again. Last year house prices increased by 26 per cent on average. That plus the smaller increases of the previous three years must mean that many houses are being priced out of the mortgage market.

This point is picked up by Geoffrey van Cutsem in Savill's look forward to 1979 report (more next week) in the section on country houses. As he puts it: A restraint in the market that could be removed, and one which is causing considerable bottle-necks in the price levels between about £40,000 and £70,000 is the £25,000 ceiling on borrowing on which interest is allowable against tax. This I believe, is something at which a future Government is bound to take a close look. Both political parties are committed to increasing home ownership, so why not let the building societies and other institutions who are in the mortgage business get on with the job they know and remove the arbitrary barrier of £25,000 or at very least index it. As a point of interest, this limit was fixed in the 1974 Budget. Had it then been indexed to the Retail Price Index, the limit would now be £50,000. I belive that building societies will continue to attract sufficient funds by paying and charging appropriate interest rates, and without Government directives both borrowers and lenders would benefit by a return to a free market."



Offers around £70,000 are sought for Chandlers, a charming period cottage at Bishops Cannings, on the edge of the Pewsey Vale and the Marlborough Downs, Wiltshire, believed to date back 2-300 years. Situated in approximately ¾ of an acre of excellently laid out gardens, the house overlooks the Downs and surrounding countryside.

The house is built of brick, with part timber framed elevations and has a thatched roof. The accommodation includes 2 reception rooms, cloakroom, kitchen, 2 bathrooms, 3 bedrooms and a dressing room. A recent extension provides a guest suite of bedroom and shower room.

Considerable improvements have recently been carried out, including rewiring, treatment of woodworm, installation of oil-fired central heating and new sanitary fittings throughout. There is a double garage. Chandlers is 3 miles from Devizes, 9 miles from Marlborough, 13 miles from Junction 15 of the M4 and convenient for fast trains to London from Swindon (15 miles) and Pewsey (7 miles).

GARDENING

ARTHUR HELLYER

IT IS UNLIKELY that many of my readers have ever heard of limestone pavement and yet gardeners have done more than any other section of the community to speed the destruction of this scarce and important geological formation. If for "limestone pavement" I substitute "water worn limestone" every gardener will know exactly what I am writing about for this is the most prestigious of all stone used for rock garden construction. It is so intricate in its markings, so beautiful in colour and patina and above all so congenial to all those rock plants, and they are very numerous, that thrive in alkaline conditions, that the demand for it constantly threatens to outstrip the supply.

The story really begins early this century when the cultivation of rock and alpine plants suddenly became fashionable. Almost immediately a new branch of garden construction grew up complete with its own methods, prejudices and mystique. Rock gardens, from being more or less random piles of stone scattered over banks or mounds of soil, suddenly became works of art to be constructed according to "natural" principles.

Reginald Farrer, high priest of the new branch of horticulture, has no doubts about the matter. All limestone, he held, was unparalleled for rock plants but by far the best of its many forms was the wonderful weather worn rock of the Craven Highlands, North Wales, Derbyshire and Westmorland. "It forms naturally into flutings and ribbings" he wrote in his classic, "The English Flower Garden," ... enhancing with lights and shadows the tender grey-whiteness of the stone itself ... leonine and stark in its moulded forms, which have the rare gift of so obvious a solidarity that block fits to block like the sections of a jigsaw puzzle, so that the merest child at work with these could hardly help compiling, without thought or effort, a rock-work that shall look all of a piece, the creation not of man, but of the untramelled forces of the world at work since the hills first were." Farrer was never niggardly with words.

So the demand for water worn limestone grew amazingly and contractors made a great deal of money digging it out where-ever they could obtain access to it. If they did not, at the outset, realise the damage they were doing to the environment they were very soon made aware of it for there were plenty of geologists and botanists who were appalled. Unhappily the message never seemed to pass down the line to the consumers, the gardeners, many of whom would have been among the first to condemn the use of this stone had they realised what was happening.

For really there is very little limestone pavement in Britain and what there is is confined to a few localities and is fast disappearing from them. It is not only important geologically and because it is a beautiful feature of its own environment but also because it supports a distinctive flora and some of the plants are rare. They survive in the deep fissures between the rocks because they are safe from grazing animals and have a peculiarly sheltered and moist mini-climate of their own. Among them are the very rare rigid buckler fern *(Dryopteris villarii)*, the green spleenwort *(Asplenium viride)*, the dark red helleborine *(Epipactis atrorubens)* and the angular Solomon's Seal *(Polygonatum angulare)* as well as, rather surprisingly, the lily-of-the-valley which in Britain is scarce and scattered rather than genuinely rare and is usually found in dry woodlands.

The removal of surface stone, such as limestone pavement, legally constitutes "development" and so requires planning permission. Since all those local authorities concerned are opposed to any further depredation of limestone pavement it might appear that this protection is sufficient. Unfortunately it is not since it may take months for an Enforcement Order to be issued, this usually leads to an appeal and a public enquiry and meanwhile no one can stop the contractors continuing with their work.

So Dr. Geoffrey Halliday of the Department of Biological Science, University of Lancaster, together with many others who are concerned about this matter, think it essential that Parliament should pass an amendment to the present act making it possible to issue Limestone Pavement Preservation Orders exactly comparable to the Tree Preservation Orders by which local authorities can act immediately to prevent irreparable damage to woodlands and individual trees. There would still be the right of appeal but, to use Dr. Halliday's own words, all the relevant matters could then be discussed dispassionately subsequent to the Order and not, as at present, to the deafening accompaniment of bulldozers tearing the site to pieces.

An appropriate amendment has been drafted and is now before Parliament. It is to be hoped that it will receive sympathetic support from all parts of the house despite the more dramatic distractions of these troubled weeks.

Bland but useful

Renault's R18: clean and non-controversial

MOTORING

STUART MARSHALL

HAVING practically invented the hatchback, and made little else for the last ten years, Renault have dropped the tailgate in favour of the boot lid on their latest car, the R18. The reason is simple. They have not been getting their share of the three box (that is, bonnet, body and boot) saloon car market which is still overwhelmingly the most important.

In Britain, for example, hatchbacks account for 20 per cent of sales and estates 10 per cent whereas 70 per cent of buyers go for a saloon. Of late Renault have been doing very nicely with a 12 per cent slice of all hatchback sales in Britain and 10 per cent of estate cars but only a miserable 1½ per cent of three box saloons. Their sole representative in this category has been the ageing R12. This month, along comes the R18.

Renault are confident the R18 will topple the R5 hatchback from its place as their UK market best seller. They are forecasting sales this year of 23,000 R18s against 19,000 R5s. To achieve these figures Renault are making a bid for the fleet market. This has become almost a private reserve of Ford; 75 per cent of their cars are bought by companies compared with only 25 per cent of Renaults.

The car, whose elegant nose Renault hope to push deeply into the fleet market trough, is perhaps the most ordinary model they have produced in years. Most Renaults in the past have had the kind of styling you have to get used to. (Think of the R16 and, more recently, the R14. They are as much an acquired taste as grappa or pickled walnuts.) The R18 is as clean and non-controversial as a Ford Cortina, though Renault say half the Cortina owners they interviewed reckon the R18 is better looking.

Mechanically, it is very similar to the R12, which it will supercede in a year or two. The front wheels are driven by a fore-and-aft mounted four-cylinder engine and the rear suspension is non-independent. It used to be said that company car fleet managers would never buy front-wheel drive, fearing service complications and costly repairs. Renault think the R18 will change the pattern for a variety of reasons, some financial, others psychological. Of the latter, the most important is Ford's decision to go front-drive with the Fiesta. That, Renault feels, has made the whole idea respectable to those most cost conscious of men, the fleet managers.

With this kind of background, the R18 might be expected to be as bland and conformist a car as past Renaults have been unorthodox, even slightly eccentric. And bland it is. The R18 is light on character but heavy on those more important things like comfortable seats, ample interior space, a large boot, a good ride over all kinds of roads and low level of mechanical, wind and tyre noise at cruising speeds.

There are two engines—a 1.4 litre, 64 horsepower development of the Renault 12's, and the light alloy 1.65 litre, 79 horsepower motor used in the R16 TX. The R18 TL and GTL, which have the 1.4 engine, come with a four-speed manual gearbox; so does the 1.6 litre TS. The top of the range GTS has a five-speed manual gearbox but both the TS and GTS can be had with Renault's own three-speed automatic at extra cost.

Prices range from £3,313 for the 18 TL, which Renault see as a private motorist's-cum-junior company rep's car, to £4,503 for the GTS automatic. This has as standard all the extras to which middle managers have become accustomed—electric front windows, centralised door locks, tinted glass and headlamp wash-wipe system. The pricing of the R18 is keen and even the basic model is well equipped. Rear fog lamp, trip speedometer, reclining front seats and childproof rear door locks are part of the package.

Last week I dipped briefly into the R18 range. A four-speed TS cruised quietly enough for the radio to be enjoyed at 80 mph-plus on the autoroute and sat down solidly on the curves of some rough minor roads. Unlike previous generation Renaults, the R18 does not roll extravagantly when cornered hard but its suspension deals just as shock-absorbently with potholes. Judging by the frost damage now appearing on our roads, this is a characteristic R18 owners will bless in the coming weeks.

CHESS

LEONARD BARDEN

THE ICL Premier at this year's Hastings congress proved to be one of the closest struggles for first place that this traditional event has seen in its long history. At the end the Swedish grandmaster Ulf Andersson ran out a comfortable winner, a point ahead of the field; but this looked far from likely in the earlier rounds.

From the British viewpoint, the result was encouraging. For various reasons none of our four grandmasters took part, but Speelman defied the tradition that the British champion always does badly at Hastings and finished only half a point short of a grandmaster score.

Mestel and Hartston held their own in strong company, and Taulbut made a respectable score in his first Premier. All this is a distinct improvement on the years when the British were huddled in a group at the bottom, and reflects our growing stature in international chess.

Final totals were Andersson (Sweden) 9½ out of 14, Csom (Hungary), Vasyukov and Kochiev (USSR) and Speelman (England) 8½, Christiansen and Lein (U.S.) and Mestel (England) 8, Biyiasas (Canada) and Hartston (England) 7½, Taulbut (England) 5½, Botterill (Wales) and Suba (Romania) 5, Peters (U.S.) 4, Balshan (Israel) 3.

Andersson and Kochiev, the only two unbeaten players, conserved energy with quick draws and waited for the occasional out-of-form opponent. Andersson's win in Round 12 virtually decided the tournament. His strategy was unpretentious but effective: he simply piled up on a weak pawn while his opponent sought non-existent counterplay on the other wing.

White: P. Biyiasas (Canada). Black: U. Andersson (Sweden). Opening: Neo-Grunfeld Defence (ICL Premier, Hastings, 1978-1979).

1 N-KB3, N-KB3; 2 P-KN3, P-KN3; 3 B-N2, B-N2; 4 0-0, 0-0; 5 P-B4, P-B3; 6 N-B3, P-Q4; 7 PxP, PxP; 8 P-Q4, N-K5; 9 B-K3?

This is already a mistake, since White is saddled with a backward pawn on the open file.

9 . . . NxN; 10 PxN, N-B3; 11 Q-B1, B-N5; 12 B-R6, R-B1; 13 BxB, KxB; 14 Q-B4, BxN; 15 QxB, P-K3.

White has aimed for B v N but Black has seen deeper. With three pairs of minor pieces exchanged, White lacks the man-power to start a successful K-side attack and can be forced into loss or passive defence of the weak QB3 pawn.

16 KR-Q1, Q-B3; 17 Q-K3, R-B2; 18 R-Q3, KR-B1; 19 P-N4, N-R4; 20 Q-N3, Q-K2; 21 R-KB1.

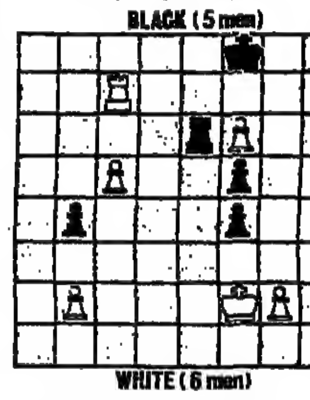
If White tries 21 P-N5, intending Q-R4-6 and R-R3, Black defends easily by 21 . . . K-N1; 22 Q-R4, P-KR4.

21 . . . N-B5; 22 P-B4, Q-Q3 (to neutralise P-B5); 23 P-K4, PxP; 24 BxP, N-N7; 25 R3-B3, N-R5; 26 R-B1, P-QN4; 27 R-Q3, P-N5 (winning a pawn and the game); 28 P-B4, RxP; 29 RxR, RxR; 30 Q-K3, N-N7; 31 Resigns. If 31 R-Q2, R-B8 ch and N-B5 wins more material.

England meets West Germany this weekend at Elvetham Hall, Hartley Wintney, Hampshire, in the key match sponsored by Lansing Bagnall, to decide who qualifies for the European team finals. It should be close and interesting. Spectators are welcome—the nearest station is Fleet, and play is 2—7 today, 11—4 tomorrow.

POSITION No. 253

BLACK (5 men)

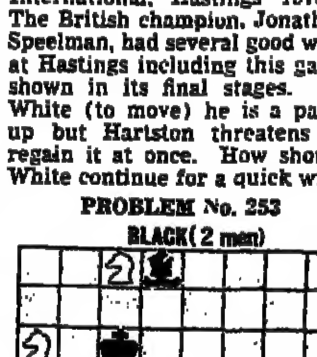


WHITE (6 men)

Speelman v Harlston, ICL International, Hastings 1978-9. The British champion, Jonathan Speelman, had several good wins at Hastings including this game shown in its final stages. As White (to move) he is a pawn up but Hartston threatens to regain it at once. How should White continue for a quick win?

PROBLEM No. 253

BLACK (2 men)



WHITE (5 men)

White mates in three moves, against any defence (by A. Mossiawili, "64" 1973).

Solutions Page 16

BRIDGE

E. P. C. COTTER

IN MANY hands speed is essential, but in others patience must be employed. This old Olympic hand teaches this valuable lesson:

N
♠ A 8 6 3
♡ A 7
◇ Q 9
♣ K 8 5 4 2

W
♠ Q 5 4
♡ J 6 3
◇ 10 8 5 2
♣ Q 10 3

E
♠ 10
♡ 10 9 8 5 2
◇ A K 7 4 3
♣ J 9

S
♠ K J 9 7 2
♡ K Q 4
◇ J 6
♣ A 7 6

South dealt at game all and bid one spade, North took out with two clubs, which the opener raised to three clubs, and North's bid of four spades closed the auction.

West led the diamond two, and East cashed Ace and King, returning the 10 of hearts to the Ace. In an effort to get a count on the defenders' hands, the declarer cashed his two heart honours.

West, reasoned South, did not hold five clubs, otherwise he would have led one in preference to a weak four-card diamond suit. In that case it was safe to play a club to dummy's King.

When East followed with the nine, a club was returned from the table. If East ruffed, he would be ruffing a loser. When East followed to the second club, the Ace won, and a third club was led to the Queen. At this stage West seemed to be marked with a 3-3-4-3 pattern, unless the defenders were very shrewd operators and indulging in wholesale false-carding.

South ruffed the diamond return, cashed the King of spades, and when the 10 dropped on his right, he led another spade and confidently finessed the eight on the table.

This is the type of hand which appeals to me enormously. The declarer feels his way, delaying the drawing of trumps without incurring any undue risk until he has learnt a little more about the distribution of the opponents' hands. The average player cashes the Ace of trumps at trick four, and goes down with mutterings about outrageous fortune.

Now for quite a startling hand:

N
♠ Q 10 6 4 3
♡ 8 4 2
◇ 9 7 2
♣ 8 5

W
♠ 8 5
♡ J 9 5 3
◇ K Q J 6 3
♣ Q 6

E
♠ K J 9
♡ 7
◇ A 10 8 5 4
♣ J 10 7 4

S
♠ A 7 2
♡ A K Q 10 6
◇ —
♣ A K 9 3 2

With East-West vulnerable, South dealt and bid two clubs, North said two diamonds, and replied two no trumps to the opener's rebid of two hearts. When South showed his second suit by bidding three clubs, North gave primary preference with three hearts, and South went four.

West's lead of the diamond King was ruffed in hand, and declarer cashed Ace, King of clubs. When a third club was played, West ruffed with the heart nine, dummy throwing a spade. West switched to the spade eight, and East's nine was allowed to win. The diamond Ace was ruffed in hand, and a fourth club was led. West ruffed with the trump Knave, and led another spade to the ten, Knave, and Ace. Declarer now drew trumps in two rounds, discarded dummy's spade Queen on the established club, and ruffed his last spade in dummy!

In the other room (this was a team match) West showed the patience which his opposite number lacked. Instead of ruffing the third club, he threw a spade, and the declarer without any thought of danger returned to hand by ruffing another diamond, and led another club. On this West discarded his last spade, and the declarer was doomed. He ruffed the club on the table, but now he could make nothing beyond his three top trumps, and was defeated.

PROPERTY

COUNTRY PROPERTY: LONDON HOUSES AND FLATS: SHOOTS AND FISHINGS: OVERSEAS PROPERTY:

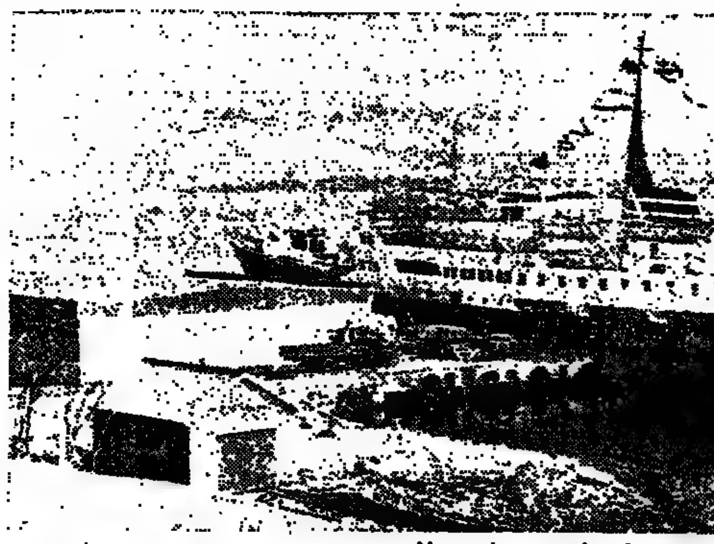
MOTOR CARS

MOTOR CAR ADVERTISING also appears today on Page 9

TRAVEL

All at sea

BY SYLVIE NICKELS



Norwegian coastal cruise

IT IS a long time now since cruising was associated almost exclusively with well-heeled escapees from less to more fortunate winter climates. The very nature of the range of facilities prevents it from being cheap, but, providing you want all that is offered, you get a lot for your money. In any case, there is usually an enormous price range on any given cruise, entirely dependent on the position and amenities of the cabin chosen, and the relevance of these is very much a question of personal taste (and pocket). Minimum costs start at about £15 per day and can easily go well into three figures for the luxury-minded; a realistic average is from £30-£40. In most cases, this does not include shore excursions, but it *does* include a very substantial full board, a varied — even hectic — entertainments programme and, of course, a lot of nautical mileage.

An obvious advantage of summer cruising is that you don't have to travel so far to find a hotter sun, and your geographical limitations are much reduced. You can travel the Norwegian coastal route to the North Cape in winter, for example, but you will miss that major attraction, the midnight sun, and much of that glorious scenery will be but dimly observed.

And, in Alaska, the cruise routes not surprisingly clamp down altogether. Cost of the Fred Olsen-Bergen Line's North Cape round voyage at the height of the season this year is around £500-£540 ex-Newcastle by sea, or £490 ex-London by air; the 2,500-mile round trip ex-Bergen lasts 11 days, calling at 35 ports. There are also cruises to Spitzbergen.

Holland America Line's Alaska venture starts every Saturday out of Vancouver from mid-May to late September, penetrating some of the most startling and least visited coastal scenery in the world. Fares for the seven-day cruise ex-Vancouver are £337-£625 but, having gone so far, many will take advantage of a whole range of combined cruise/tours of up to 26 days, featuring the Canadian Rockies, gold rush country and so on.

In contrast with these from just about every point of view are HAL's seven-day Bermuda and Nassau/Bermuda cruises out of New York, which can also be coupled with a variety of land arrangements. Average costs are about £50 lower than the Alaska cruises and, in spring and autumn, a special feature is made of on-board entertainment with musical themes ranging from country and western to jazz.

More people, however, will be considering some of the popular circuits nearer home: the Med. and its ramifications, and the Atlantic Isles. P and O have 28 cruises out of Southampton between April and mid-December, most of them dedicated to these areas and lasting from 7-16 days. Arrangements are very flexible and those in a hurry can join part of the itinerary by flying one way in a selection of 6-10 day fly/cruises. Fares for two weeks ex-Southampton start at under £400 and average £600-£700 per berth in a good outside cabin.

The extreme popularity of P and O's BI Discovery Cruises on board the *Uganda* continues. The emphasis is on comfort rather than sophistication and the prices are very reasonable; most short excursions, for example, are included in the fares, and on-board charges for extras are kept low. The *Uganda* has become well known as a floating college for educational cruises; the 300 adult passengers travel quite separately on board, but have the opportunity to share the students' illustrated lectures.

Also out of UK ports are the ships of Soviet CTC Lines whose cruise fares are lower than most: about £250-£700 for two weeks with a strong emphasis on Nordic ports and the Atlantic Isles.

One of the exceptions is a fly/cruise with the British-built *Leonid Sobinov* leaving Southampton on June 18 for a series of Med. ports and the Black Sea, returning by air from Odessa to London via two nights in Moscow or Leningrad: a very reasonable-sounding £320-£720, according to type and location of cabin.

Cunard's QE2 heads for the North Cape and the midnight sun from Southampton on July 7, after returning from an unusual cruise itinerary combining New York, Navo Scotia and Bermuda. The latter is an 18-day voyage out from and back to Southampton: £995-£3,740. Other QE2 summer offers are the Atlantic Isles and the Caribbean.

This last is more usually thought of asa winter escape destination, but has its summer followers too. Costa Line, which has been adding its own Italian flavour to the area for a long time, includes a summer series of 10- or 11-day cruises out of Miami to South American and Caribbean island ports, built into 17-day arrangements ex-London.

Addresses: Fred Olsen-Bergen Line, 229 Regent Street, London W1R 8AP; Holland America, 56 Haymarket, London SW1 4RZ; P and O Cruises and BI Discovery Cruises, Beaufort House, St. Botolph Street, London EC3A 7DX; CTC Lines, 1-3 Lower Regent Street, London SW1Y 4NN; Cunard, 8 Berkeley Street, London W1X 6NR; Costa Line, 18 Meddox Street, London W1R 9PL; Pitt and Scott, 3 Cathedral Place, London EC4M 7DT.

Your Weekend £: Austria 26.80, Belgium 58.75, France 8.43, Italy 1,645, Greece 73.00, Spain 139.00, Switzerland 3.35, U.S. 1.9750. Source: Thomas Cook.

SNOW REPORTS

It looks like a weekend of perfect conditions in most of the ski world. Recent snow in both Europe and the U.S. means that most resorts offer good skiing. In the U.S., which has had snow in Las Vegas and Los Angeles, an Aspen skier even said: "OK you can turn it off now, we've got enough."

EUROPE		
Bormio (It.)	40- 80 cm	New snow on icy base.
Sauze d'Oulx (It.)	45- 48 cm	Good. Crust on exposed runs.
Les Arcs (Fr.)	100-210 cm	Excellent conditions.
Isola (Fr.)	170-220 cm	Good, particularly above 2,000 m.
Flaine (Fr.)	90-290 cm	Excellent powder snow.
Davos (Sw.)	55-130 cm	New snow on hard base.
St. Moritz (Sw.)	45-100 cm	Good skiing.
Wengen (Sw.)	48-100 cm	Excellent new snow.
Kitzbuehel (Aus.)	30- 80 cm	Powder on north slopes.
Niederau (Aus.)	45- 80 cm	New snow on hard base.
St. Anton (Aus.)	55-130 cm	New snow on hard base.
Seefeld (Aus.)	50- 65 cm	Worn patches on high runs.

European reports from Ski Club of Great Britain representatives.

THE U.S.		
Sugarbush (Vt.)	12- 32 ins	Powder. 68 of 70 runs open.
Stowe (Vt.)	14- 34 ins	Powder. 29 of 29 runs open.
Hunter (NY)	35- 75 ins	Powder. 35 of 35 runs open.
Park City (Utah)	53- 78 ins	All runs open, heavy snow.
Aspen (Col.)	30-101 ins	New snow, still falling.
Squaw Valley (Calif.)	35- 70 ins	New powder, still falling.

Figures indicate basic snow depths at top and bottom stations.

SCOTLAND	
Cairngorm:	New snow, hard base. Access, light snow.
Glenshee:	New snow, hard base. Access, light snow.
Glencoe:	Hard pack high, crust lower.
Lecht:	Hard packed with icy patches.

Paradise under threat

GOLF

BEN WRIGHT

THE EMINENT American architect Frank Lloyd Wright—no relation, I'm sorry to say—once remarked that the North American continent is tilted, and everything that is not nailed down slides into southern California. That, of course, would explain the bizarre things that occasionally occur in this part of the world. Fred Allen, the late American comic, said that California is a nice place if you are an orange. Both Mr. Wright and Mr. Allen would have been surprised this week. The mid Western part of the country was hit by a series of severe winter storms. Some of the bad weather was not nailed down, and it slid swiftly, coldly and damply into southern California, making life miserable for oranges and golfers alike.

Three weeks ago the Phoenix Open in Arizona was delayed for a day and shortened to 54 holes because of rain, the third year in succession that weather has intervened to affect the tournament. Last week in San Diego the PGA tour players dressed up like esquimaux to survive winds of 50 miles an hour, rain and hail, in the Andy Williams San Diego Open. This week here the weather has been similarly miserable on the Monterey Peninsula during the early stages of the Bing Crosby national Pro Am as this beautiful part of the world has been lashed by bone chilling cold, rain and high winds.

It was almost as if the almighty has intervened to express his disfavour at the sale to 20th Century Fox for more than $71m of this most glorious stretch of golfing country I have ever seen, including the undeveloped portions of Pebble Beach, and the Del Monte Forest, a gated community of expensive homes, 5,200 acres of wonderful pine, oak and cypress trees, an hotel, four golf courses, a polo field, 18 miles of private roads and several miles of crashing surf beaches along the jagged coastline, among other beauties.

It makes one shudder to think that a similar fate could befall some of the great links land areas in Great Britain, although the film company has repeatedly asserted that its purchase involves only the most honourable of intentions. Needless to say the debate on the subject of this particular area which includes the spectacular Big Sur coast and the glorious nearby Carmel Valley has achieved nationwide publicity.

About 2,200 families who have bought their palatial homes from the Pebble Beach Corporation and the previous owners, over the years will be unaffected by the deal. But it remains to be seen how the film company will develop four square miles of perhaps the world's choicest real estate. If it is to erect houses, condominiums, hotels and all that go with them is the subject of a fierce dispute, since the money paid for the area will go largely to the shareholders of a public corporation who do not live in the area.

The mayor of the nearby village of Carmel is trying to persuade the California legislature to give areas like this powers to resist proposed urban developments and create a new kind of entity that he calls a "heritage city."

It seems inconceivable that two of the top ten golf courses in the world, the municipal Peeble Beach, which is now open to all who can afford a $50 greens fee, and the immensely exclusive Cypress Point Golf Courses should be ruined, but stranger things have happened, as we all know, in these changing times. A major hotel corporation, for example, is seeking approval of a project that will see a 376-room hotel erected in rural Carmel Valley, and a major Oklahoma land development operation recently won approval for a similar 500 unit project.

Many of the 2,200 families who own these palatial homes in the Del Monte Forest have been paying their corporation an annual fee for road upkeep and security afforded by a 14-member police force. They have been charging visitors four dollars a car to pass through the gates of a scenic road called the Seventeen Mile Drive along the coast. Needless to say many of these privileged residents like the idea of keeping their guards, their gates and the four dollar fee to underwrite their security and maintain their roads.

A group of environmentalists is trying to interest the federal government in creating a national park in the area that would summarily bring to an end private building along this magnificent mountainous stretch of coastline, from which one can watch every day the whales, sea otters and sea lions frolic offshore.

On the other hand the traders of Carmel, whose streets are most often clogged by gawping tourists by the busload, are not anxious to see the tourists discouraged, so the battle lines have been definitely joined since 20th Century Fox after their magical success with such films like Star Wars, are looking around for such projects to diversify their holdings.

PAPERBACKS

ANTHONY CURTIS

IN THE MIDST of a hard winter who can be blamed for seeking escapism in fiction. I find the reading drug works best when it is blended with a real place I either know or want to know. Let me pass on the titles of a few novels, currently in paperback, that have wafted me away from the black-ice and the picket-lines as much by charm of their settings as any curiosity about the characters or what was going to happen to them.

First David Garnett's *Aspects of Love* (Penguin 75p) an unashamedly self-indulgent book set in Paris and a chateau near Chinon among people with a talent for emotional entanglement across the generations and for the expenditure of money (of which they seem to possess an inexhaustible supply) on sensuous pleasure. It was written ages ago but like the claret which the main characters, an English baronet, his young nephew who has a job in the army in Paris, and the mistress they have in common, continually imbibe it has kept remarkably well in the bottle. This is perhaps the last of a vintage, the story of a group of expatriates who enjoy a sexual freedom unthinkable at home.

When it was first published Mr. Garnett sent a copy to his friend T. H. White who absolutely hated it. "I believe," he wrote, "human beings ought to be monogamous, like those glorious creatures, ravens, swans, eagles etc.—that if they consciously take a solemn vow in public they should stick to it—or not take it—and that women ought not to behave like headstrong babies. . . . In short, I think your Rose is a selfish, short-sighted, self-admirer and a bore." To which Mr. Garnett replied: "I have been twice married, have had six children and been the lover of an enormous number of other women, so that my views are founded on a great variety of experience which you have avoided. Your experience with one human and two canine bitches does not lead me to treat your views seriously." The whole correspondence, printed in The White/Garnett Letters (Cape 1968), should be read as a marvellous example of how a literary friendship may survive savagely adverse comment on the work of one of the parties by the other.

Gendon Swarthout is a gifted American novelist who received much acclaim here for his novel *The Shootist*. That he has a deft way with settings is shown in *Luck and Pluck* (Penguin 80p) which takes place in contemporary Los Angeles and *The Tin Lizzie Troop* (Penguin 85p) in the Texas of 1916 when the National Guard was manning the frontier against Mexican bandits. Both novels appeared in the early 1970s in hardback; whereas one is a skilful reconstruction of a crazy episode in the history of the Frontier, the other hits off life in the advertising world in hippie-ridden L.A. with a coolly ironic touch. The novelist scores his points by making his hero an arch-conformist who plays the system for all it is worth with complete honesty and by this method ends by triumphing over it. As an observer of modern madnesses I would put Swarthout in the same class as David Lodge and Malcolm Bradbury but as he is not an academic by profession he has a much bigger and broadly based output.

My final escape-route was to the Highlands of Scotland north of Inverness with the forests a mass of green and the burns tinkling along with Jemima Shore, the heroine of Antonia Fraser's mystery story *The Wild Island* (Penguin 80p). Jemima is herself trying to escape from the hurly-burly of life in London as a TV celebrity to a remote fastness she has rented. She discovers her landlord promptly dead on arrival and before long she is heavily involved with the other members of his family, the sprawling and quarrelsome Beauregard clan. Sprinklings of Scottish history and local lore are stirred into the mixture which has several layers to it, but slips down fairly easily. The form seems based, perhaps unconsciously, on *The Perils of Pauline* where each episode ends with the heroine tied to the rails as the express comes thundering in: but Jemima is good at untying knots.

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HOW TO SPEND IT by Christine Burton

Something out of the ordinary

This week I am writing about four shops which offer a specialised service. Because the number of interested customers is necessarily limited, the very existence of these establishments depends on being able to draw from the catchment area of a large metropolis. But if any reader wants to know more about domestic miniatures, four-poster beds, model trains or hand-made cosmetics, I would certainly recommend a visit.

Other shops are in the pipeline for this series, but meanwhile I would be delighted to hear from any reader who would like to tell me about any shop he or she thinks deserves a mention.

Anne Griffith of The Singing Tree, photographed by Corinne Cockrell

The Singing Tree

I HAVE rarely spent such a happy hour as I did recently at The Singing Tree, a lovely shop at 69 New King's Road, London, SW6.

Anne Griffith and Thalia Sanders, who started up and run The Singing Tree, say that they sell dolls houses and their accessories, but this bald statement covers an amazing multiplicity of exquisitely scaled-down objects.

Anne Griffith had to wait until she was 13 to be next in line for her family dolls house. It was a long wait, and she has been firmly hooked ever since. She has been collecting old houses and their accoutrements for ten years: Thalia Sanders specialises more in modern ones.

So, as two amateurs who had heard of each other's interests, they came together three years ago.

They began to hear about people whose hobbies were making miniature versions of everyday things, until now they have over eighty craftsmen making pieces for them.

Many of these craftsmen—already working in a particular medium—came to them for advice and to see whether there was a gap in the market for their talents. In this way, for instance, someone working in brass was asked to make scales, chandeliers and coal scuttles.

Michael Ayrton, well-known in the world of silhouettes, makes minute copies of his own collection—one of these sells for £5.20.

The collection of glassware has to be seen to be believed. It ranges from a milk bottle (25p) and bottles of wine (rosé is 90p), through the various sorts of drinking glasses (champagne glass 45p), to twisted candlesticks (with candles 80p a pair) and a three-branched chandelier (£5.20).

There are kitchen utensils (wooden butter pats 60p a pair, grater 60p), and tools for the workroom (plane £1.30, screwdriver 60p), as well as for the utility room (sleeve press £1.90, four clothes pegs 70p and three coat hangers for 45p).

Since the kitchens of these large houses are essentially working kitchens, we must not forget the food. There are over 50 different types ranging from a marrow (45p), a Christmas pudding (45p), to a crown roast with paper frills (£1.40).

Also available is a delightful range of printed wallpapers (40p for a 16 in × 24 in sheet) and 1½ in deep friezes of Kate Greenaway figures. Ideal for miniature nurseries!

The actual houses can be bought as well, of course—I saw a beautiful Georgian three-storey house for £65. A two-storey shop is £32.40 or you can buy a glass fronted wooden box in which you can arrange a room setting (£35).

Alternatively, you could attempt to build your own house. On sale are period sash windows that open, staircases, spindles, shutters, and doors, hinges, door knobs and knockers. Definitely do-it-yourself for the nimble-fingered.

The scale used virtually throughout is 1 in to 1 ft and this applies particularly to the dolls themselves. The selection here changes constantly as some are sold and new ones arrive but on the day of my visit I saw a French maid, ladies in their ballgown finery, graceful grey-haired grannies and little girls who looked as if they had just rushed in from spinning their tops and wheeling their hoops.

Anne Griffith reckons that most of her customers are in their thirties and who, having been deprived of high-quality toys in their wartime childhoods, appreciate the craftsmanship that has gone into each tiny article, especially in comparison with the mass-produced plastics which seem to be the only alternative nowadays.

The Singing Tree is open from 10 to 5.30, Monday to Friday, 10 to 1 on Saturdays.

Hadley Hobbies

Graham Colover of Hadley Hobbies, photographed by Ashley Ashwood

I MAY not know much (let's be honest, anything) about model trains and planes, but I can recognise enthusiasts. And Hadley Hobbies, of 131, Middlesex Street, London E1, is very definitely run by enthusiasts. "Toys for big boys" is how the proprietors describe their business and certainly when I popped in there were plenty of big boys who should have been at the adult equivalent of school.

Hadley Hobbies is run by Graham Colover and John Price. John Price used to run a small model shop nearby in the City and Graham Colover, who used to be in the furniture business, seemed to be his most frequent customer. It struck them that it would be sensible to set up shop together. They say that Hadley Hobbies is the only model shop in the City and indeed its stock is so large — the selection of railway accessories alone is vast —and so specialised that it rivals larger and better-known shops in the rest of London.

The atmosphere in the shop is almost one of a club—regular customers drift in to gaze at their particular fancy. But don't allow the air of authority to put you off—a notice hanging over the counter reads: "Don't be afraid to ask dumb questions."

When John Price had his own little shop he used to buy up ends of ranges from manufacturers and these in turn, of course, became collectors' items. Hadley Hobbies has established a market for hand-made models, or anything rare and exotic that is no longer made. The two proprietors travel around to auctions and pick up examples which they know a particular customer wants or which is just the thing their clientele would appreciate. A pre-war Hornby trainset, originally sold for 49s 6d, would nowadays fetch between £50-£60.

They advertise special lines in the model journals and, as a result, they get visits and requests from all over the world —when businessmen come to London, they make a point of dropping into the shop—or they will write beforehand in the hope that a special requisite can be met.

The number of British manufacturers in the field has dwindled considerably and it is sometimes difficult to get hold of the exact model from a foreign manufacturer but Hadley Hobbies will try and will charge a commission.

Other special tasks they will carry out are making base boards for complete railway layouts, repairing engines, and replacing electric motors either in trains or model aeroplanes. Indeed, they are one of the few shops in London to specialise also in radio-controlled model planes.

The Ripmax catalogue, which costs £1.50 from Hadley Hobbies, and illustrates 5,000 separate items, contains a sizeable section on model planes, and to the uninitiated like me this is quite an eye-opener. There is, for instance, the Little Toot, described as a 16-inch span bipe for 0.049 engine, all die cut (£5.35). Some of you may know what this means.

The catalogues of the train manufacturers are equally fascinating. Fleischmann for instance shows minute replicas of the trains that are so familiar on the Continent. There is the couchette carriage that goes through the night from Calais to Marseilles and the blue and white coaches that climb the Swiss mountains.

The shop's customers range from porters at Liverpool Street station to stockbrokers. They get very few children—except in the school holidays—but new customers often start off by pretending that they are buying for their sons.

Hadley Hobbies is open from 9 a.m. to 6 p.m., on Mondays to Fridays, and from 9.30 a.m. to 2 p.m. on Sundays. The shop is very near Petticoat Lane market, and so many people combine a visit on Sunday mornings that someone has to stand at the door to control the flow of customers.

Cosmetics à la Carte

Lynne Battley and Christina Stewart of Cosmetics à la Carte, photographed by Ashley Ashwood

I DO not know about you but I always feel that the beauty sales girls in department stores, while looking immaculately made-up, also look as if they spend their entire lives applying and re-applying it. So it was refreshing the other day to come across two women professionally involved in the beauty business who think that make-up should be put on in the morning and should then last all day.

Christina Stewart (who has a B.Sc. in cosmetic chemistry) and Lynne Battley met when they were both working in the research laboratories of a big cosmetic house, and were getting increasingly frustrated by fostering the competition between the large manufacturers rather than catering for the individual customers.

So they decided to set up in business on their own account offering beauty care and advice on a much more personal basis. Just over five years ago they opened their premises at 16 Motcomb Street, London SW1, and although they were then selling perfumes and cosmetics from established beauty houses, they concentrated on making and building up stocks of their own cosmetics made by them in their laboratory in the basement. Now they sell only their own range.

The back-up provided by their suppliers in the industry has helped them considerably. For one thing, they insist that their ingredients are always of the very highest quality and since their requirements are obviously much smaller than those of the large manufacturers, suppliers are often happy to find something special for them.

Cosmetics à la Carte offers many face and body treatments as well as selling a large selection of make-up and skin preparations. An interesting service they offer is to make a cosmetic to match a colour—this is an expensive process (£15 for the first order and £5 for a repeat) and they would first try to match from their existing stock—but if necessary it can be done.

The special treatments may be carried out in private cubicles if the client prefers and these include wax depilation (ankle to knee, £6.50), pedicure (£6), eyelash tinting (£5), a one hour cleansing facial (£8), and different make-up sessions.

A redesigned make-up to suit your personality costs £8 for a one hour session. Lynne gave me a shortened version of this: I liked it—as did my female colleagues—but the men were less than enthusiastic!

When Cosmetics à la Carte opened, the first customers tended to be those who lived and worked locally, but over the years custom has grown by word of mouth to a much wider area. Very often a special occasion—such as a wedding—will prompt people to make their first appointment; regular customers bring along their daughters for their first makeup lessons.

Christina and Lynne design faces and skin care routines according to the lives lived by their clients. For instance, horsey types living in the country would need different advice from business-women coping with smokey Boardrooms. But they do consider that British skins are the best in the world —all due to our much maligned climate, they reckon. The variety of weather conditions is essential to that luminous quality for which our skins are supposed to be renowned. Mediteranean skins, they feel, show the effect of continuous summer sunshine, and North American skins also have to cope with central heating and air conditioning.

But, despite our "natural advantage," there is no way to prevent ageing—and skins must be protected from the elements and from the harmful effects of living with too much traffic.

Lynne and Christina consider that the British are too eager to do themselves down—they tend to bewail their bad points. Good features should be emphasised and the customer's morale and self-confidence will be boosted.

Once a customer has had a makeup devised for her, she will be given a chart with all the details and the shop will keep a record. This means that customers out-of-town can make repeat orders by post (20p per item). Lynne and Christina say that when they look up a reference card, they will remember the face and can make suggestions for alternative colours.

They hope to produce a mail order catalogue later in the year, but at the moment a list of their products is available on request. Prices tend to be in the middle price range, comparable with firms like Helena Rubinstein and Elizabeth Arden.

Cosmetics à la Carte is open from 10 a.m. to 5.30 p.m., Mondays, Tuesdays, Thursdays and Fridays and to 7 p.m. on Wednesdays. The phone number is 01-235 0596.

Lucia van der Post is on holiday

The Bedchamber

THE BEDCHAMBER, which opened last July at 3 Cadogan Street, London SW3, is very much a family business. The shop's speciality—making and selling four-poster beds—was the idea of the mother of the family, Mrs. Blackett. She had been collecting four-posters for many years from her home in Northumberland, and in 1970 she was inspired to make a copy of one as a wedding present to her niece. Word spread, orders were taken and a hobby became a business.

Now son and daughter, Hugh and Angela, have joined in and formed a company to bring the business south.

While Mrs. Blackett continues the search around the north of the country, Hugh sells reproduction modern beds from The Bedchamber. A standard bed is 7 ft high, and is made to fit either a 5 ft by 6 ft 6 in, or a 4 ft 6 in by 6 ft 3 in mattress. Basic beds come in pine (£325), mahogany (£340) and oak (£370), but prices for different sizes or styles will be quoted. Each bed is made by craftsmen joiners in Northumberland.

Occasionally Hugh Blackett comes by some antique beds or posts which can be incorporated into beds. A new venture is to copy some Hepplewhite posts—these would be about £750 if they were original, and antique beds in any case can cost upwards of £600. Sometimes too he has half-testers for sale—these are invariably cheaper because they need less wood and less fabric.

One little detail that particularly appealed to me was the brass bolt covers; while looking like an integral part of the post, they in fact cover the bolt which joins the post to the frame.

But it is the hangings which really complete the bed—and this is sister Angela's domain. Nifty with her needle, she makes some of the hangings, but mainly co-ordinates the out-workers in the North who make the pelmets, backcloths, valances and drapes.

There is a good choice of (mainly traditional) fabrics ranging from Laura Ashley (at about £1.50 per metre) to over £10 for more expensive American fabrics. Choice of fabric obviously determines the overall cost, but the charge for making up standard style hangings is £110.

The assistant in the shop, Belinda Firth, is herself an interior designer and is happy to give advice on suitable fabrics and colour schemes for customer's bedrooms.

Accessories also contribute to the look of a room and The Bedchamber has a small range of these, such as collage pictures, painted chamber pots for flowers or plants, and occasionally stencilled furniture. Flowers and patterns painted onto blanket boxes, side tables, chairs and chests-of-drawers make them look so pretty that they sell out fast, but you may be lucky.

It is also possible to have stencilled bed posts and cornice; this would cost an extra £200, but it certainly makes a bed something out of the ordinary. One I saw in the shop had green and pink hangings with green and pink stencilled posts and cornice; it looked really charming.

The Bedchamber is open from 9.30 to 5.30, Monday to Friday and 9.30 to 1 on Saturday.

TAKING YOUR CAR ON HOLIDAY I

There are more facilities for the motorist travelling any road than ever. **Arthur Sandles** looks at the motoring holiday prospects for 1979.

A bumper to bumper year

THERE SEEMS little doubt that the travel industry thinks the Briton will never give up his car. Indications are that the one buoyant field of a rather depressed shipbuilding world is that concerned with car ferries. British Rail and Townsend Thoresen alone have six ships on order and B and I have new tonnage on the Irish routes this summer. This position is reflected in other parts of Europe and much further afield.

Apart from the ships, hovercraft have now carved themselves a slice of the market and hydrofoils, for passengers only, are biting their way into the business. The net result of all this is that the consumer no longer has to study maps to find out where the ferries are, it is more a matter of pin pointing the ports which even now do not have a ferry service operating from them.

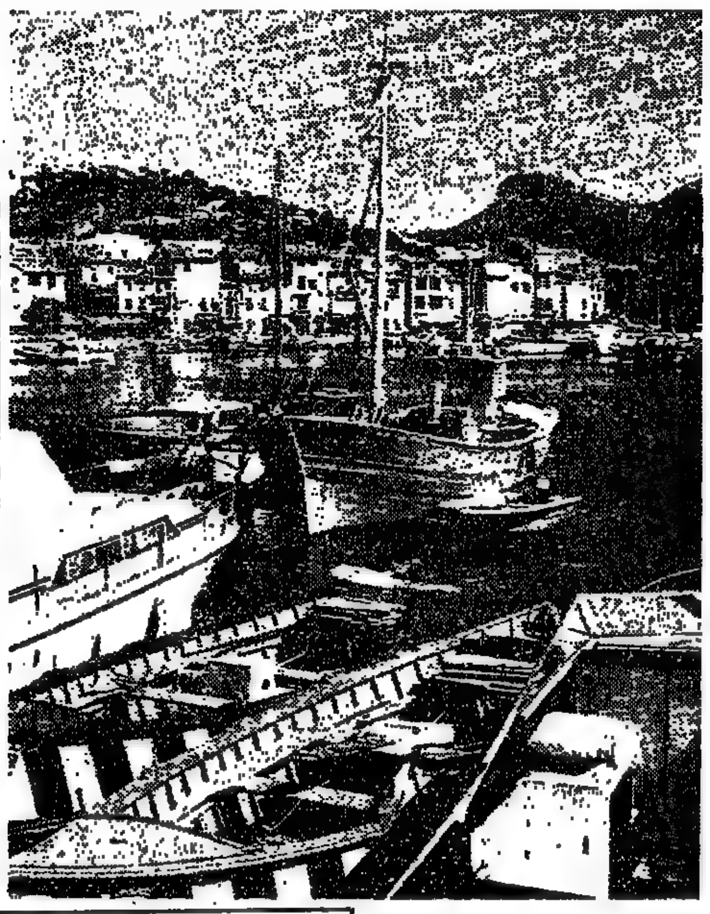
The rush to provide services is in answer to considerable demand and this means that at certain times of this year, and on certain routes, it may be best to book early. The ferry companies always insist that they have to charge so much because the holiday traffic peaks at certain times and the ships have ample space at others. In consumer terms this simply means that it is best to have a confirmed booking for weekends in August. It also means that some ports are best avoided at these peak times. Dover may be splendidly organised much of the time, but it is no place in August to arrive say four hours before departure and hope to drift into town for a leisurely lunch.

But the other ports often have less frequency of traffic, making the need for booking even greater.

If you must travel in the peak period because, like me, you have children of school age who are reluctant to take time off because of approaching examinations, then consider some of the countries which offer less crowded roads when you get there. The West of Ireland is still a delight to drive in and Scandinavia too has superbly maintained highways with, to my mind, relatively light traffic on them, particularly further north.

One should not forget, of course, that taking your car on holiday does not necessarily mean going abroad. In Britain around two-thirds of domestic holidaymakers make their vacation trip in the family car. Britain's great advantage is that it is now considerably ahead in the provision of tourist information. Oh that some continental countries had the wealth of well laid out information that is offered by some of the British regional tourist boards. Over the years the boards have increasingly taken over the work of information providing and the system clearly works very well—better, if I may knock an established travel myth than the Syndicats d'Initiatives in France.

The ferry companies themselves, however, are getting much better at displaying information. Such is the competitive nature of the business these days that they have all been forced to jolly up the brochures and introduce a greater degree of clarity into the timetables. Most companies now offer fairly detailed advice to motorists.



The south of France is one of the most popular areas for the British to visit on motoring holidays. Although reachable in a long day's hard driving such a trip can be expensive in tolls on France's autoroutes. A pleasanter way to make the journey is by the quieter country roads.

ADDRESSES

B and I Line, 155 Regent Street, London W1.
Brittany Ferries, Millbay Docks, Plymouth PL1 3EF.
DFDS, Mariner House, Pepys Street, London EC3N 4BX.
Hoverlloyd, International Hoverport, Ramsgate, Kent CT12 5HS.
Norfolk Line, Atlas House, Southgates Road, Great Yarmouth.
North Sea Ferries, King George Dock, Hedon Road, Hull HU9 5QA.
Jetlink Ferries, 18 Westminster Palace Gardens, Artillery Row, London SW1.
Olau Line, Sheerness Docks, Sheerness, Kent ME12 1SN.
Fred Olsen/Bergen Line, 229 Regent Street, London W1.
Polish Baltic Line, Cerdic House, Ferry Terminal, The Docks, Felixstowe.
P and O Irish Sea Services, 84 High Street, Belfast.
P and O Normandy Ferries, Arundel Towers, Portland Terrace, Southampton SO9 1AE.
P and O Ferries (Orkney and Shetland Shipping, PO Box 4, Matthew's Quay, Aberdeen.
Prins Ferries, 13/14 Queen Street, London W1X 8BA.
Sealink/Seaspeed, Car Ferry Centre, 52 Grosvenor Gardens, London SW1W 0AG.
Townsend Thoresen, 127 Regent Street, London W1R 8LB.

Sweden, one of the nicer countries for a driving holiday.

Planning and pricing

IT MADE us late for dinner that book. We were in a small hotel in Galway, preparing ourselves for another assault on the local oysters, one of the hidden joys of off-season travel, when we stumbled across a slim volume describing a European journey in a British light car some 50 years ago. It was a fascinating work, not least because the "I" of the first few chapters suddenly became "we," suggesting that ours was the expurgated version. But above all the pleasure lay in the photographs. There was the little car being loaded by crane at Dover, standing on cobbles in Paris, and parked perilously on a pocked mountain pass. The text was a mixture of pleasure and surprise, that the tour had been completed in such a flimsy machine.

By comparison, today's trips hold less drama, but still the motoring tour is something of a plunge into the unknown. And still it means happy evenings of preparation, surrounded by maps, timetables, brochures and today, a pocket calculator.

Perhaps it is the calculator that makes today's prices seem all the more alarming. In no time at all it clocks up the fact that a return short-sea crossing in peak season in a medium-sized car carrying two adults and two children costs only a few pounds less than £100. A few years ago it would have taken my mind an hour or so to work that out. Now the answer is there in seconds.

The actual cost of travel has become such a significant feature of any holiday budget these days that it pays to give particular attention to routes chosen, and even to the days of the week selected for departure and return. Fortunately the number of ferry services operating around the UK allows for considerable flexibility in planning, particularly as it is possible to leave Britain by one route and return by another.

In terms of time at sea the longer routes are increasingly attractive to the motorist. The 6½-hour run from Southampton to Le Havre for our family of four in peak season would cost around £125 for the round trip—more than four times the travel for only 25 per cent more money.

- **Things in favour: Freedom of action, such as following whim or weather. Ability to reach areas difficult or impossible to find with public transport. Ability to carry large quantities of baggage/toys. Costs fall with number of people.**
- **Things against: Administratively more difficult than a package tour. Potentially time and temper consuming. Costs can be higher than expected. Driving is more dangerous outside Britain.**

Although prices start to rise again once an overnight stay is involved on any ship, the long haul voyages, say to Scandinavia with DFDS or Tor Line, or down to Santander with Britanny Ferries, are still well worth examining. In making assessments of cost it is easy to forget the en route expenses of motoring when deciding between perhaps driving to San Sebastian, or taking the ferry to Santander. This is particularly true if you have a family. When my children were much younger I can recall agonising nights in small French hotels when their running up and down wood-floored rooms in their holiday excitement echoed through vintage buildings.

The longer-haul ships often have a sort of cruise mood to them, with well-run relaxing restaurants and pleasant bars meant for gentle time-wasting rather than the frantic duty-free drinking which is sometimes the case on the short routes.

Planning a route, once across the Channel, is great fun, but motorists should avoid the obvious. The autoroutes may look attractive on paper, and lead to high speeds, but there is so much to be seen off the main roads that it is worth dawdling a little.

In much of Europe it is easy to find quite good secondary roads, usually the old main roads, which do not cut down your timings too much, except thanks to the temptations of sight-seeing *en route*. This is not necessarily the case in Italy, however. Although the tolls on the autostrade have recently gone up again there is still little alternative for any motorist who wishes to make reasonably speedy progress through the country.

As far as accommodation during the journey is concerned, in France at least I think you do not go very far wrong with Michelin. That company's hotel and restaurant guides to other countries are also useful but sometimes seem to lack the edge that they have in their own countries.

There are companies which offer pre-packed motoring tours, which give the traveller firm bookings at hotels, but the number has reduced somewhat over the years. Alternatively you can make reservations from the UK before you go. Grand Metropolitan Hotels and Trust Houses Forte both have hotels in Paris, for example, and most travel agents have access to the central booking offices of hotel organisations, British and foreign.

The last Grand Met hotel I visited in Paris was the Penta, which is just out of town. It is probably one of the least French hotels you could expect to find but, for the motoring family, it has many advantages. It has quick Metro links with the city centre. It is modern and comes complete with swimming pool, sauna, coffee shop and adjacent supermarket. And you can park nearby. But then, perhaps it is more fun to struggle round the Parisian streets looking for a parking space and a hotel with rooms.

For other accommodation most tourist offices can supply hotel lists for towns you choose. Tourist office service is variable, but most try to be helpful. Try: Austria, 30, St. George Street, London, W1R 9FA. Denmark, 169, Regent Street, London, W1R 8PY. France, 178, Piccadilly, London W1V 0AL. Germany, 61, Conduit Street, London, W1R 0EN. Greece, 195, Regent Street, London, W1R 8DL. Italy, 201, Regent Street, London, W1R 8AY. Netherlands, 143, New Bond Street, London, W1Y 0QS. Norway, 20, Pall Mall, London, SW1 5NE. Spain, 57, St. James Street, London, SW1A 1LD. Switzerland, Swiss Centre, 1, New Coventry Street, London, W1V 3CH.

FUEL PRICES

Petrol prices in much of Europe are considerably higher than they are in the UK and, if you drive a heavily loaded car at high speeds, you may use more petrol than you counted on. Expect to pay nearly £1.50 a gallon for fuel in France and not much less in Switzerland. In the Netherlands, Germany and Austria you will pay perhaps one-third more for petrol than in the UK.

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TAKING YOUR CAR ON HOLIDAY II

Over the years facilities for booking self-catering accommodation in Europe have grown. This year, however, the demand is likely to be very high.

A place to stay

ONE OF the more pleasant developments in travel over recent years has been the expansion of facilities for self-catering, *in the form of villas*, camping and caravanning. Whereas scarcely a decade ago the motorist looking for self-catering accommodation did so very much at his own risk, villa rental has become a much more sophisticated business and camping sites are much simpler to explore by post than once they were.

However, it *is still true that* the most centrally organised of the villa operations tend to be those which have *their activities* centred the greatest distance away from Britain's shores. The Algarve, Southern Spain and Greece are all a considerable drive, even with the help of the longer haul ferries. They are certainly beyond the staying power of my daughters as far *as being passengers* is concerned. However, there is an increasing awareness of the *British market in France*.

Spanish and Portuguese villas tend to have been built recently and specifically for holiday use. French cottages and apartments are usually considerably older and are simply houses that have been put out to retirement. This usually gives French property the edge on charm. The houses have an intimate, lived-in, feel which is often absent from more southerly establishments. However, the margin for error *is clearly* greater, so do not be surprised by the occasional mouse or damp patch.

A browse through the French villa brochures is a dangerous pastime. Some of the offerings are almost too tempting to resist. As far as prices are concerned it seems that next summer, high season, a family of *four would expect to be paying* around £130-£170 a week for a French cottage in a rural rather than *seaside* position. *Obviously* these figures are subject to considerable flexibility with location, standards, demand and owner's whim all adding up to make precise guidance difficult. It therefore pays to shop around before making a decision. Price differentials between various offers can be considerable.

However, this year in particular, do not take too long in the shopping. With *something as* individual as a villa the better properties tend to go quickly. *Once a family has found one* they like they often book the same place year after year.

This year in particular the demand for foreign holidays in general from the British has been *very high* and the demand for self-catering accommodation has followed this general trend. Do not expect to wait until June to find that perfect Dordogne hideaway for two weeks in August.

The "two-week" system of the British is also an occasional problem. The Continentals, and notably the French, tend to take their summer holidays in *four-week* batches, so owners tend to prefer to deal in this much simpler style of booking.

But where do you find all these French rural delights? Probably the biggest selection can be found in the lists of the Gites de France, the organisation which gathers together thousands of independent country property owners to let accommodation. In Britain you can find a useful list of the Gites in the book French Farm and Village Holiday Guide, published by Duo Publishing (1, Hermes Street, London, N1) and available at bookstalls, *price £2.35*.

A selection of these Gites can also be found in the brochures of the French Travel Service (Hudson's Place, Victoria Station, London SW1V 1JX). The FTS has some 150 French properties reserved for its use and you should therefore be able to get a rapid response without the chore of writing to France. The prices for four adults, two weeks, including Channel *crossing, start* at £182 in the low season and £253 in high summer.

> A browse through the brochure is a dangerous pastime. Some of the offerings are almost too tempting to resist.

Another exhaustive list is to be found in the bulky brochure of Swiss Chalets Inter Home. No, it does not just serve Switzerland, but the whole of Europe, including the UK. If you write seeking a brochure (10, Sheen Road, Richmond, Surrey TW9 1AE), specify whether you want the seaside countries — France, Spain, Belgium, Italy, the UK, etc— or the alpine areas. The brochures are big, but not glossy.

Two other companies of which I have heard good *reports, but of which I have* no personal experience, are Vacances Franco-Britanniques (*15, Rodney Road, Cheltenham*, Glos.) and Vacances de Campagne (Box Cottage, Sutton, Nr. *Pulborough, W. Sussex*).

There are more than 250 villas in the brochure of Belvillas (8, Barclay Road, Croydon CR0 1JN). Again many of them are in Brittany, but there is also a wide selection on other parts of the Atlantic and Basque coasts, Languedoc-Roussillon, the Alps and the Côte d'Azur. As with most of the villa companies, Belvillas will also look after ferry reservations.

Although there are many small family companies in the villa business, there are also *one or two giants. American* Express went into the villa business in 1977 and has been *so pleased with the results that* it has considerably expanded its programme this year. American Express (6, Haymarket, London SW1Y 4BS and branches) has a series of brochures on France, Italy and Portugal, so specify the country concerned if you ask for further information.

Not quite villas, and yet not camping, are the holiday chalets offered by some companies. Townsend Thoresen (*1, Camden Crescent, Dover*, Kent) has its own holiday village of chalets at De Haan on the *Belgian coast*. *It is* inexpensive and fun, particularly for kids. Some superb woodland chalets can be found in the Swedish brochures of Tor Line (34, Panton Street, Haymarket, London, SW1).

One holiday which always seems to get rave notices is camping, with rented tents already set up and fully *equipped awaiting the motorist* and family. The company which really got this business going *was Canvas Holidays (Bull* Plain, Hertford SG14 1DY). This is one of the friendliest operations in the *holiday* business and one of the most helpful. Some friends of mine recently booked a holiday with Canvas and then found they had in fact booked a month earlier than they had intended. No problem said Canvas to the blushing customers, and re-arranged the whole thing.

But these days Canvas has *serious competition. Eurocamp* (82, King Street, Knutsford, Cheshire) has a very informative and comprehensive brochure giving details of 19 sites and around 500 tents which it will have on offer.

Freshfields (441, Oxford Street, London W1A 1BH) is another camping site company which is making a great deal of effort in the field and clearly growing fast. If you recognise the address, you're right—it is a subsidiary of Butlins.

All in all then, the range of accommodation for any motorist seeking self-catering *properties* these days is huge.

● Some of the villa company brochures contain booking conditions which, at first glance, seem onerous. One, for example, will not let you cancel three months before departure without loss of all monies paid. Read *the booking conditions* carefully and if you are worried, don't book. Remember, however, *that villa owners often seek high* guaranteed income from the agencies so villa tour operators do not always have the flexibility that hotel operators do. If the villa is unlet the company still has to pay.

The Irish west

Driving in a foreign country can be fun—but sometimes there can be problems. It is best to be prepared.

Perils and pitfalls

IT IS not only dogs and cats that *grow like* their owners. Family cars are mirrors of family personalities. My vehicle *of the moment is, for* example, not entirely reliable. It tries very hard to please, but it is *a disorganised sort of car*. Given half a chance it will spend whole weekends unwashed and, to *be honest, it is* not as fit as it should be.

Taking it on holiday, therefore, is something of an adventure. But, I've met some very helpful garage hands, and it is quite fun to be thrown into the nearest coffee shop or bar awaiting a repair.

It is odd how all the travel brochures, and even the travel pages, laud the glorious freedom of motoring holidays and yet post-holiday conversations tend to include a hilarious story or two about finding that parking space in Nice, having the car taken apart by customs men at the Jugoslav-Greek border, and getting that flat tyre in central Barcelona.

Over the years I've had bearings go in Italy, windows smashed by thieves in France, a wheel (newly attached) come off in Ireland. I've been rammed by Mayoral Rolls in Caernarvon and by rhinoceros in Kenya. Chewing gum once fixed a carburettor in Normandy and a wire coat hanger an exhaust pipe in Sweden. Although once booked for doing a U-turn in Massachusetts most incidents have been sorted out without the aid of the law, although *the afternoon* that bus went over the ravine just ahead of me on a road in northern Uttar *Pradesh did*, eventually, produce the military.

It was in the course of last year when an ageing French hippy backed into me just outside Cannes and has ever since claimed that I drove into him that I learned at last the wisdom of preparing for such incidents in advance. In much of Europe it is common practice in the case of accident to fill in an accident report form on the spot and to get both drivers to agree as much as possible about the incident. It is also helpful to have a camera handy so that the *positions* of the vehicles can be photographed, to cut out all argument. Familiarise yourself *with the* accident *report form* before you go.

You should also, of course, find out exactly where you stand in terms of insurance. Since Britain entered the Common Market all British insurance policies have been required to give basic protection to the British motorist when he is within the EEC. This basic, however, varies from country to country and you would be extremely unwise to rely upon it even if you only have third party, fire and theft cover in the UK. Green Cards are still the norm, and should cost you £5-£10 (for a small family car) upwards. Such insurance is essential for Spain, and should include bail-bond cover.

You can get car recovery cover from the motoring organisations or from private insurers such as Europ Assistance. Again, such cover *is not a legal requirement* but wise. If you are involved in a serious accident, or have a *serious mechanical breakdown*, the country in which you are driving may consider that you have imported the car and require you to pay duty. The only way to avoid this is to export the wreckage back to Britain.

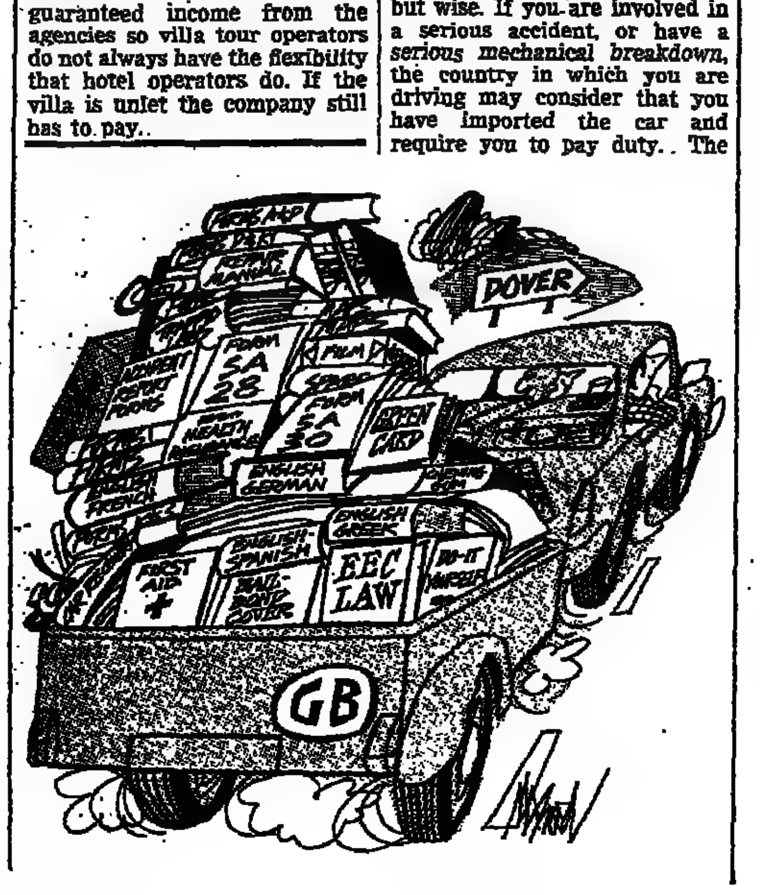
As far as health insurance is concerned there is now a welter of schemes available and all need studying closely. The motoring holidaymaker is less interested in cover for loss of deposits than the package tourists, but much more interested in baggage cover, since the motorist has more room and therefore probably more luggage. The motorist may also be carrying more money—although in these days of credit cards, the Euro-cheque system and refundable travel cheques *this should not be the case*.

Motorists in Europe should get the leaflets SA 28 and SA 30 on European health cover from their local Health and Social Security Office. This details the reciprocal treatment given to British residents in other EEC countries. Again the facilities and paperwork vary.

Even if you are taking out private health insurance, which you should, details of the reciprocal system and the necessary identification papers are important. It is just possible that one member of the party con*tracts a serious disease or has* a serious accident which potentially could exhaust even quite *good cover. In some European* countries, like Britain perhaps, if you have something seriously wrong you are as well off under the wing of the state as privately. It is only when you have something minor, like a broken leg or hernia, that things start getting ragged.

It is also essential that all the adults in the group are *familiar with the papers* and that even the children know where they are kept.

All this may sound very alarming. As we all know, most holidays go smoothly enough without recourse to law, hospital or garage. It is, however, best to be prepared. A phrase book may sound a bit gauche but can be useful, particularly one which has detailed menu lists. Berlitz does a chubby (the book, not the reader) European menu reader and you may find copies of a Collins series of menu readers *for individual countries*.



ARTS

Ann Howard and Geoffrey Pogson

Ann Howard's Carmen

OPERA
MAX LOPPERT

Ann Howard, physically, dramatically, and vocally the most striking of the English Carmens, has returned to the English National production. I admire Miss Howard's performance as much, indeed, as any I have seen: for in combination of physical allure, frankness of temperament, wit of utterance, and the revelation of an underlying, unflinching toughness of soul, she conveys and conjoins the important qualities of a role very seldom encompassed to the full. She knows how best to invest the natural assets of a tall, statuesque figure, and features not only provocatively handsome in their dark, clean cut, but alert to suggestions of a sensuous, mocking amusement: by never setting them up in exaggerated display of the character's untamed sexuality.

The easy naturalness of this Carmen was amply remarked upon when the production was first seen, nearly nine years ago. The passage of time has deepened its suggestive powers, and enriched and mellowed, without dulling, the very individual colour and flavour of the voice, smoky, spiky, and purple all at once. On Thursday, the Habanera did not come into focus (and the line should be purified of those scoops that disfigure the reiterations of "Take care"). Soon after that, the tone settled and flowed, rich and steady on the low A flat, powerful and true on the note two octaves above—Miss Howard's final "I love him!" made a wonderful sound, big, passionate, and defiant.

She was one notable feature of a performance that mostly placed itself, and not unworthily so, on the level of a routine repertory revival. The other was the Micaela of Linda Esther Gray, perhaps somewhat heroically voiced for the character—or is this sterling, thrillingly resolute delivery what it needs, and are all the other shrinking-violet Micaelas out of place? (The ENO must tempt this fine singer away from the Scots more often.) Ian Reid conducted a spirited reading, although it was not at all well played, especially in the first act, and was loosely sung by the chorus. Mr. Reid is a courteous, sensitive accompanist: the Flower Song, from its opening phrases, was prepared and shaped with point and direction, and this was of especial value to the angular though not unpleasing vocalization of the José. Inside Geoffrey Pogson's rather sheepish posture, a sincere and even quite intense portrayal waits for the attentions of a vigilant producer, as the later scenes of the opera revealed. At present, too much of the early and middle stages carry the air of a nice chap in a bit of a spot.

Ross/Costello

POP
ANTONY THORNCROFT

Annie Ross is more restrained than the usual Country Cousin cabaret artist, who tends to be American, emotional and sexually ambivalent. There may still be a trace of an American accent to her, stretching back to the days when she was the pretty bit of Lambert, Hendricks, and Ross, the innovative jazz vocalists, but essentially she is a serious singer, more used to the church-like atmosphere of a jazz club than the enormities of Country Cousin, a supper room situated in that part of the King's Road where the rich meet the interesting.

So her current season there is classy rather than shocking, pleasant, not controversial. She is greatly aided by having the Harry South Trio backing her through a set which is perhaps too much designed to show Annie Ross as a cabaret performer rather than as a jazz singer. I prefer her singing the blues in *Gone to Chicago* or the standards, like *Everytime we say goodbye*, than pushing young Brazilian composers. The voice may wander sometimes but the style ensures an amiable evening which will probably sparkle more when the audience grows.

There was no lack of an audience for Elvis Costello at the Hammersmith Palais this week when he played a quick return date in London. The unbeatable combination of clever publicity and talent have moved Costello remorselessly to the very top, and this was a kind of thank you from the new super star.

You could tell it was meant to be a party because Costello, notoriously rude, was actually talking to the audience which had waited from eight until almost eleven to see this small sensation perform. There is no denying the power of Costello's songs as he raced through old and new, fast and slow, drugging the weary mass with the clever insistent rhythms which underpin quirky lyrics and subtle melodies. Elvis Costello is bold in relying on his music to make up for the man, but judging by the enthusiastic scenes at the Palais he could easily become the biggest British export since Elton John.

Portraits of painters

SALEROOM
ANTONY THORNCROFT

In the 1860's the Scottish artist John Ballantyne painted a series of 15 portraits showing some of his leading fellow artists at work in their studios. Six such portraits, the property of Mrs. Marianne Skioldebrand, were sold at Christie's yesterday for a total of £64,500.

One, a portrait of William Powell Frith, fetched the highest price of the auction—£18,000, plus the 10 per cent buyer's premium, and was bought by the London dealer Roy Miles. He also paid £13,000 for another in the series, of Daniel Maclise. Ballantyne's portrait of Sir Francis Grant went for £15,000 and that of David Roberts made £13,000. The National Portrait Gallery of Scotland has four of the paintings from the series, and the National Portrait Gallery in London two, inclding one of Sir Edwin Landseer working on the models for his lions in Trafalgar Square.

In other lots Frederick Richard Lee's "Waiting for the Ferry" sold for £16,000 to the London dealer Ackermann. This is an interesting picture because it has been through the same saleroom on four other occasions, making £225 15s in 1873; 19 guineas in 1925; 44 guineas in 1928; and 231 guineas in 1950.

"Travellers resting at a Country Inn" by William Shayer went for £14,000; a painting of an American Western Ocean Packet anchored in Cork Harbour at the time of the Great Famine, by George Mounsey Atkinson, £12,000; and Atkinson Grimshaw's view of "Hull Docks by Night" was bought by Imcos Marine of London for the same sum. The auction of Victorian pictures totalled £477,240.

At Sothebys carpets and tapestries sold for £46,190 with a highest price of £4,400 for a Soho mythical tapestry made around 1720 and attributed to John Vanderbank. In the furniture a small German walnut armoire was bought for £2,000 and the same sum secured a Portuguese tortoise-shell cabinet, and a Louis XVI mahogany rafraischissoir.

"Six Terrorists" by Saul Steinberg, 1971

Artist as cartoonist

ART
WILLIAM PACKER

The great cartoonist does not need to be even an adequate draughtsman so long as his jokes are good, and his shortcomings will even grow by degrees to become the marks of his particular identity. The gifted artist, on the other hand, if his jokes are very good, will often see his visual gifts pass unremarked amid the general laughter. Speed, sophistication, and effectiveness are the self-denying virtues of this highly specialised calling. The graphic cliché draws the eye, the idiosyncracy conceals the art. But following upon this curious circumstance comes a certain tendency towards over-compensation. Take the cartoon from the page, put the art-work into the frame and onto the wall, and suddenly talent is transformed into genius, as it is with Gillray, for example, clearly one of the great draughtsmen of his own and any other age, and Hogarth and Rowlandson.

With the cartoonists and satirists of our own day we must be more circumspect. Exhibitions of their work are not uncommon, and certainly we get the impression that they would like to be taken seriously as artists, to show us the serious face beneath the grin. Such work, quite rightly, is enjoyed and collected, and taken into the museums: but we must be careful that the closeness of the joke, and sometimes the shock that goes with it, do not blind us to its actual state.

Saul Steinberg, who has adorned the New Yorker Magazine for rather more than a generation, is the latest to be given the treatment, his cult honoured by an exhaustive retrospective at the Whitney in New York last summer, from which a substantial extract has now been brought to the Serpentine Gallery (until February 25). It is a lovely exhibition, full of the most enjoyable and funny stuff, the imagery eccentric and grotesque in its exaggeration, the line itself frequently as mordant as the wit it serves. But Steinberg though a wit perhaps of genius, is an artist manqué, and it soon becomes evident that there is a marked divide in the work we see. Best by far is the practical, effective illustration, with all its technical evasions and limitations, for these we can accept within the terms of the activity, a professional job done quickly against a deadline, unself-conscious and very funny. But he would like to be a painter, and he does not paint very well. The elaborate documents, the Cubist pastiches, the water-colours, the table-top compendia, all of them are worthy, arty, and rather sad.

Arts news in brief

Lord Donaldson, Minister for the Arts, has announced the appointments of Usha Prashar and Noel Goodwin to the Arts Council of Great Britain.

*

Flashpoint, written by Tom Kempinski and directed by Anton Rodgers, will open at the Mayfair Theatre on February 14. Tony Selby and David Dixon head the cast.

*

Queen Elizabeth, the Queen Mother, patron of the Robert Mayer Concerts, will attend a special children's concert on Saturday March 10 at the Festival Hall, in honour of their founder Sir Robert Mayer, who will be 100 on June 5. It will be broadcast live by BBC Radio 3.

*

Bing Crosby is to be honoured by the London Palladium. A plaque is to be placed in the theatre to commemorate the fact that the last week of the American singer's working life was at the theatre playing to capacity audiences.

Crosby, who died in October 1977, is only the second star to be accorded this distinction. The other was Judy Garland.

TV/Radio

†Indicates programme in black and white

BBC 1

9.20 am Feeling Great! 9.30 Multi-coloured Swap Shop. 12.13 pm Weather.

12.15 Grandstand: Football Focus (12.20): 1979 European Figure Skating Championships (12.50); Badminton (1.05, 1.50) Thomas Cup—European Zone semi-final: England v. Sweden; Ski-ing (1.30) Women's Downhill; Rugby Union (2.20) England v. Scotland and 4.05 Wales v. Ireland (highlights); 4.40 Final Score.
5.15 The Pink Panther.
5.35 News.
5.45 Sport/Regional News.
5.50 Jim'll Fix It.
6.25 Dr. Who.
6.50 Saturday Night at The Movies: "Texas Across The River," starring Dean Martin.
8.30 The Two Ronnies.
9.10 Starsky and Hutch.
10.00 News.
10.10 Match of The Day.
11.10 Parkinson.

All Regions as BBC1 except at the following times:

Scotland—4.55-5.15 pm Scoreboard. 5.45-5.50 Scoreboard. 10.10 Sportscene. 10.40-11.10 A Handful of Songs. 12.10 am News and Weather for Scotland.

Wales—8.55 am Feeling Great. 9.05-9.30 Teliffant. 2.30-4.40 pm (Grandstand) Rugby Union: Wales v. Ireland and England v. Scotland (highlights). 4.40 Join BBC1 (Final Score). 5.45-5.50 Sport/news for Wales. 12.10 am News and weather for Wales.

Northern Ireland—2.20-4.40 pm (Grandstand) International Rugby Union: Wales v. Ireland and England v. Scotland (highlights). 4.40 Joins BBC1 (Final Score). 5.05-5.15 Scoreboard. 5.45-5.50 Northern Ireland News. 12.10 am News and weather for Northern Ireland.

BBC 2

2.55 pm Saturday Cinema: "Kissin' Cousins," starring Elvis Presley.
4.30 Play Away.
5.00 One Man and His Dog.
5.35 Network.
6.05 Men of Ideas.
6.50 Rock Goes to College.
7.30 News and Sport.
7.40 Horizon.
8.30 On The Record.
9.10 Julian Bream and John Williams.
10.10 The American Short Story.
11.00 News on 2.
11.10 Darts: The Embassy World Professional Darts Championship.
†12.00 Midnight Movie: "90 Degrees in The Shade," starring Anne Heywood.

LONDON

8.35 am Sesame Street. 9.35 The Monkees. 10.00 The Saturday Morning Show. 11.30 Tarzan.
12.30 pm World of Sport: 12.35 Headline: 1.15 News; 1.20 The ITV Seven—1.30, 2.00, 2.30 and 3.00 from Sandown plus greyhound racing from Harringay; 3.10 International Sports Special — from New Zealand highlights of the Pan Am International Series of athletics meetings, also highlights of World Cyclo-Cross Professional Championships from Italy, plus exhibition Pool; 3.50 Half-time Soccer Round-up; 4.00 Wrestling; 4.50 Results Service.
5.05 News.
5.15 Dick Barton—Special Agent.
5.30 Happy Days.
6.00 Chips.
7.00 Dick Turpin.
7.30 Celebrity Squares.
8.00 Saturday Action—"Ski Lift to Death" (film made for television).
9.45 News.
10.00 By Alan Bennett—Six Plays . . .
11.15 How To Stay Alive.
11.45 Baretta.
12.45 am Close: A painting by Brenghel with Renaissance music.

All IBA Regions as London except at the following times:

ANGLIA

9.10 a.m. Cartoon Time. 9.30 Make It Count. 10.00 The Secret Lives Of Waldo Kitty. 10.30 Tiswas. 5.30 pm Mork And Mindy. 6.00 The Incredible Hulk. 8.00 Feature Film: "Catch Me A Spy," starring Kirk Douglas. 11.15 Star Treatment. 11.45 Pro-Celebrity Snooker. 12.30 am The Guest.

ATV

9.10 am How To Stay Alive. 9.35 Make It Count. 10.05 The Lost Islands. 10.30 Tiswas. 5.30 pm Mork And Mindy. 6.00 The Incredible Hulk. 8.00 Saturday Cinema: "Murder On Flight 502." 11.15 Michel Legrand and Friends.

BORDER

9.00 am Sesame Street. 5.30 pm Mork and Mindy. 6.00 The Incredible Hulk. 8.00 Film: "The Ghost Of Flight 401," starring Ernest Borgnine. 11.15 The World Of Liberace.

CHANNEL

12.18 pm Puffin's Pla(i)ce. 5.30 The Life And Times Of Grizzley Adams. 6.30 Happy Days. 7.00 Celebrity Squares. 7.30 Dick Turpin. 11.15 Celebrity Concert (Connie Stevens).

GRAMPIAN

9.00 am Sesame Street. 6.00 pm The Incredible Hulk. 11.15 Reflections. 11.20 Instant Sunshine In Concert. 11.50 The Practice.

GRANADA

9.35 am Make It Count. 10.05 The Flintstones. 10.30 Tiswas. 5.30 pm Mork And Mindy. 6.00 The Incredible Hulk. 8.00 The Big Adventure Film: "Land Raiders," starring Telly Savalas. 11.15 Evening Standard Drama Awards. 12.00 Sidestreet.

HTV

9.05 am The Child Wants A Home. 9.30 Beachcombers. 9.55 Cartoontime. 10.05 The Flintstones. 10.30 Tiswas. 6.00 pm The Incredible Hulk. 8.00 Saturday Cinema: "You Can't Win 'Em All." 11.15 The New Avengers. 12.15 am Star Treatment.

HTV Cymru/Wales—As HTV General Service except: 5.30-6.00 pm Sion A Sian. 11.15 Once In A Lifetime. 12.00-12.30 am Star Treatment.

SCOTTISH

9.30 am Adventures In Rainbow Country. 11.30 Chopper Squad. 5.30 pm Mr and Mrs. 6.00 The Incredible Hulk. 8.00 TV Movie: "Kansas City Massacre." 11.15 Late Call. 11.20 Celebrity Concert—Connie Stevens.

SOUTHERN

9.00 am Sesame Street. 11.30 The Bionic Woman. 12.27 pm Regional Weather Forecast. 5.15 Batman. 5.30 Mork And Mindy. 6.00 The Incredible Hulk. 8.00 "They Only Kill Their Masters," starring James Garner. 11.15 Southern News. 11.20 Celebrity Concert starring Jack Jones.

TYNE TEES

9.00 am Saturday Shake-Up. 9.05 Tarzan. 10.00 Call It Macaroni. 10.25 Saturday Shake-Up. 10.35 Saturday Morning Film—"First Men In The Moon," starring Edward Judd and Lionel Jeffries. 12.15 pm Saturday Shake-Up. 6.00 The Incredible Hulk. 11.15 Celebrity Concert starring Henry Mancini. 12.15 am Epilogue.

ULSTER

10.10 am The Bubblies. 10.15 Spiderman. 10.35 Little House On The Prairie. 11.30 Sesame Street. 5.00 pm Sports Results. 6.00 The Incredible Hulk. 8.00 Saturday Movie: "Murder On Flight 502." 11.15 Build Your Own Boat.

WESTWARD

9.00 am First Steps In First Aid. 9.25 Saturday Morning Picture Show: "Contraband Spain." 10.45 Cartoontime. 11.00 Clue Club. 11.25 Look And See. 12.25 pm Gus Honeybun's Birthdays. 5.30 The Life And Times Of Grizzly Adams. 6.30 Happy Days. 11.15 Celebrity Concert starring Connie Stevens. 12.15 am Faith For Life. 12.20 West Country Weather and Shipping Forecast.

YORKSHIRE

9.00 am Spiderman. 9.20 "The King's Pirate." 10.55 Cartoon Time. 11.05 How. 11.30 Six Million Dollar Man. 6.00 pm The Incredible Hulk. 8.00 "Battle For The Planet Of The Apes," starring Roddy McDowell. 11.15 Words And Music By Randy Newman. 12.15 am The Practice.

RADIO 1

(S) Stereophonic broadcast

5.00 am As Radio 2. 7.00 Playground. 8.00 Ed Stewart. 10.00 Peter Powell. 1.00 pm Adrian Juste (S). 2.00 Paul Gambaccini (S). 4.31 The Moody Blues Story (S). 5.30 It's Rock 'N' Roll (S). 6.31 In Concert (S). 7.30 Mike Read. 10.00 Discovatin'. 12.00-5.00 am: As Radio 2.

RADIO 2

5.00 am News Summary. 5.02 Tom Edwards (S). 8.05 David Jacobs with star sounds on records (S). 10.02 Kevin Morrison (S). 12.02pm Danny La Rue with records. (S). 1.02 My Sainted Aunt. 1.30-6.00 Sport On 2: Rugby Special England v Scotland, Wales v Ireland; Football League live second-half commentary on a match, score flashes, results; Racing from Sandown; Cricket (One-day International: Australia v England; reports and interviews); 5.00 Sports Report: Classified Football checks 5.00, 5.45, Rugby Round-up 5.25, 5.30 Motor Sport. 6.03 European Pop Jury. 7.02 Don Davis's Just For Fun. 7.30 Radio 2 Top Tunes (S). 8.30 Stan Reynolds And His Orchestra (S). 9.30 Saturday Night With The BBC Radio Orchestra (S). 11.02 Sports Desk. 11.10 Ray Moore with The Late Show (S), including 12.00 News. 2.02-5.00 am You And The Night And The Music (S).

RADIO 3

7.55 am Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release of music by Bach, Parry (S). 11.0 Robert Mayer Concert for children (S). 12.15 pm Robin Ray presents popular classics on records (S). 1.00 News. 1.05 Haydn And Mendelssohn Chamber music concert (S). 2.05 Men Of Action: David Mercer chooses records (S). 3.20 Song Recital part 1: Schubert, Enesco (S). 3.55 Interval Reading. 4.00 Recital, part 2: Britten, Brahms, Duparc, Brahms. 4.40 The Garden in February. 5.00 Jazz record Requests (S). 5.45 Critics' Forum. 6.35 The Classical Guitar (S). 7.30 Scottish National Orchestra, part 1: Dvorak, Mozart, Cresswell (S). 8.15 Season Songs (Ted Hughes poetry reading). 8.35 Scottish National Orchestra part 2: Berlioz (S). 9.25 The Shostakovich Quartets: Talk by Gerald Abraham (S). 10.10 Bliss And Williamson (S). 11.05 Sounds Interesting (S). 11.55-12.00 News.

RADIO 4

6.25 am Shipping Forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather; programme news. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's A Bargain. 7.55 Weather; programme news. 8.00 News. 8.10 Sport On 4. 8.45 Yesterday in Parliament. 9.00 News. 9.05 International Assignment. 9.30 The Week In Westminster. 9.55 News Stand. 10.15 Daily Service. 10.30 Pick Of The Week (S). 11.20 Time For Verse. 11.30 Wildlife. 11.55 Spiegl On Saturday. 12.00 News. 12.02 pm Away From It All. 12.27 You've Got To Be Joking says Cardew Robinson (S). 12.55 Weather; programme news. 1.00 News. 1.10 Any Questions? 1.55 Shipping forecast. 2.00 Bookshelf. 2.30 Saturday-Afternoon Theatre (S). 3.30 Does He Take Sugar? 4.00 Something Appealing, Something Appalling. 4.45 Enquire Within. 5.00 Kaleidoscope Encore. 5.25 Week Ending (S). 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 News. 6.15 Desert Island Discs. 6.50 Stop The Week With George Melly. 7.30 Baker's Dozen (S). 8.30 Saturday-Night Theatre (S). 10.00 News. 10.15 With Great Pleasure (S). 11.00 Lighten Our Darkness. 11.15 Singer's Choice. 11.45 Just Before Midnight. 12.00 News.

WEEKEND CHOICE

SATURDAY: In ITV's **Dick Turpin** the highwayman himself is robbed this week. Admittedly Richard O'Sullivan's straight acting is proving inferior to his comedy yet this series has been generally undervalued; surely it is just that "good family entertainment" which is so often demanded. **Julian Bream and John Williams** include the lollipops "Claire de Lune" and "Golliwog's Cakewalk" in their duets on BBC2. Alan Bennett appears himself in the fourth of his ITV plays, **Afternoon Off.**

SUNDAY: London Weekend's interesting Sunday programme **Credo** starts a new series by looking at the ludicrous Sunday trading laws at 6.00. BBC1s "Play of the Month" at 8.05 is Harley Granville Barker's 1905 work **The Voysey Inheritance.** LWTs **Look Here** at 11.30 surveys industrial relations in television itself (second only to Fleet Street's in their tortuousness) and asks "What's the use of TV critics?" to which C.D. tries to give an answer. C.D.

TV RATINGS

WEEK ENDING JAN. 28

UK TOP 20		viewers m
1	This Is Your Life (Thms.)	18.15
2	Corontn. St. (Wed.) (Gran.)	17.15
2=	Two Ronnies (BBC)	17.15
4	Charlie's Angels (ITV)	16.85
5	Thomas and Sarah (LWT)	16.70
6	Corontn. St. (Mon.) (Gran.)	16.35
7	Blankety Blank (BBC)	16.20
8	Sale of the Century (Anglia)	16.15
9	Crossroads (Thurs.) (ATV)	15.75
9=	Crossroads (Wed.) (ATV)	15.75
9=	Return of the Saint (ATV)	15.75
12	Butterflies (BBC)	15.20
13	3, 2, 1 (Yorks.)	15.15
14	Crossroads (Mon.) (ATV)	14.95
14=	Crossroads (Thurs.) (ATV)	14.95
14=	Secret Invasion (BBC)	14.95
17	Emmerdale Farm (Tues.) (Yorks.)	14.75
18	Ken Dodd (Thms.)	14.65
19	Starsky and Hutch (BBC)	14.55
20	Leave It To Charlie (Gran.)	14.40

Figures prepared by Audits of Great Britain for the Joint Industry Committee for Television Advertising Research.

U.S. TOP TEN (Nielsen Ratings)

1	Laverne and Shirley (ABC) (Comedy)	32.3
2	Mork and Mindy (ABC) (Comedy)	31.6
3	Happy Days (ABC) (Comedy)	31.2
4	60 Minutes (CBS) (News)	28.8
5	Charlie's Angels (ABC) (Drama)	28.4
6	What's Happening (ABC) (Comedy)	27.2
7	Eight is Enough (ABC) (Comedy)	27.1
8	MASH (CBS) (Comedy)	26.9
9	All in the Family (CBS) (Comedy)	26.7
10	Alice (CBS) (Comedy)	26.1

A Nielsen Rating is not a numerical total.

CHESS SOLUTIONS

Solution to Position No. 253

1 R-B8 ch, K-B2; 2 P-B6, Resigns. If 2...KxP; 3 R-B8 ch and 4 P-B7. If 2...RxP; 3 P-B7, R-QB3; 4 R-KR8, RxP; 5 R-R7 ch.

Solution to Problem No. 253

1 Q-N8. If 1...K-N4; 2 Q-B4 ch, KxQ; 3 N-Q6. If 1...K-Q2; 2 Q-K6 ch, KxQ; 3 N-B5. If 1...K-N2; 2 QxB, K-R8; 3 Q-Q5.

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Saturday February 3 1979

The sooner the better

HISTORICAL PARALLELS can be illuminating, but also misleading. History rarely repeats itself exactly: and present events are not just a replay of 1974-75, when Mr. Heath was defeated by the miners and wage increases soared to over 30 per cent. The pay escalation of the mid-1970s came after a sharp depreciation of sterling and an explosive increase in the money supply. It was further aggravated by threshhold agreements offered in the autumn of 1974 in the false expectation that inflation would be only 7 per cent, an expectation blown sky high by the combination of a five-fold increase in the price of oil and a weak pound.

Settlement

Politically there are some parallels with 1951, when Mr. Bevan and Sir Harold Wilson resigned from the Attlee Government on health service charges and defence spending. From then on a death wish seemed to come over the postwar Labour Government which was eventually defeated in an election near the end of that year. But this should not be pushed too far. Mr. Callaghan's powers of resilience should never be underestimated, and it may be more profitable to concentrate on the economic parallels, which are with 1972.

That year was marked by a large wage settlement for miners, less well remembered than that of 1974, but the occasion when the flying pickets first emerged. Unemployment was then high enough to worry the Heath Government and recovery from the previous recession was still at an early stage. The Government, like most outside economic commentators, became alarmed by the miners' victory and a few other headline settlements. Whether that alarm was justified is not clear even in hindsight as so much depends on the precise wage index used. What is clear however is that as the summer advanced expectations grew of a wage clampdown following the Chequers talks with union leaders. By then there really was an acceleration as union leaders rushed to settle while they still could.

Regulation

The present pay explosion marks the end of three and a half years of attempted rigid wage controls. Such controls have built up accumulated resentments, both at the lower end among public service workers who have borne the brunt of the squeeze, and among those with so-called "muscle power," who are seeking to restore relativities which reflect their actual strength.

Control of the money supply is not offered, even by its most enthusiastic exponents, as a short-term method of wage regulation. What it can do is to make sure that pay and price increases do not run away over a period of years. The main way in which monetary restraint works in the private sector in an open economy such as UK's is through its effect on the exchange rate.

In the public sector monetary control is closely related to, although not the same as cash limits on public expenditure. The important point here is not an embattled defence of any particular pay norm, but that it should be made clear that an overrun in wages will be offset by other public sector economies, including staff reductions. To the extent that these are not politically possible, increases in taxes and rates are very much a second best, although still preferable to increased borrowing. Increased interest rates to finance that borrowing outside the banking system are a third best, not so much because of inflation but because of their long term effects on investment and employment. They are nevertheless still a lesser evil to financing public sector pay increases through the monetary printing press.

Wage drift

Despite a few well publicised settlements there is a good deal of evidence that average private sector wage settlements have at least until recently not been above 10 per cent. Allowing for wage drift this might have produced an earnings increase of around 13 per cent. But if the impression gets around that 15 per cent is the "going rate" it could become self-fulfilling, even though its effect on earnings would be partially offset by lower drift. A collision between tight monetary exchange rate policies and a wage push of this kind would produce recession and rising unemployment.

The dangers are aggravated by political factors. Mr. Callaghan seems at least to be toying with the idea of going to the country on a platform of statutory pay and price controls, if he does not obtain a convincing "Mark 2 Social Contract" from union leaders. Mrs. Thatcher has hinted that an emergency pay freeze might be less bad than becoming embroiled at another attempt at a long-term incomes policy.

But this kind of discussion from both political sides (not to speak of the Liberals) can only aggravate the wage explosion, as people try to get in before the clampdown. From the point of view of the economy the election cannot come a day too soon; and once Mr. Callaghan has decided on his platform it is difficult to see why Labour's prospects should gain from delay.

A century of electric light

BY JOHN LLOYD

THE GOOD citizens of Newcastle today celebrate a British blunder.

Exactly 100 years ago, Sir Joseph Swan, a man from north-east England, demonstrated a working model of his electric lamp to the Newcastle Literary and Philosophical Society. The bulb used an incandescent carbon filament which burned in a vacuum, created by a little vacuum pump. The members—according to the local newspaper—were much impressed.

But Sir Joseph was not of the stuff of which some contemporary north-eastern luminaries are made: he was a sight too modest for his own good. In his view, the bulb was merely a development of earlier attempts, and not worth patenting.

Across the Atlantic, however, so lofty a detachment from commercial realities was known not to turn a buck. Thomas Edison, who is said to have demonstrated his bulb slightly later than Swan, was a lot sharper in getting round to the Patent Office. His British patent was granted in November 1879.

So poor Sir Joseph was beaten in his home market before he had begun. Yet modesty has its own rewards. Sir Joseph was right, his invention really was one link in a chain of innovations, both in the development of the bulb itself and, at least as important, in associated technology which made its creation possible in the first place.

In 1840, William Grove, a member of the Royal Institute, had already made a bulb in which a platinum filament glowed when powered by electricity drawn from a battery. Grove found he could read for some hours by this light but, fearful of going blind—an effect which the Victorians ascribed to diverse causes—he abandoned it and went back to the glaring brilliance of oil lamps.

Swan himself tried in the late 1840s and 1860s, as did many others who are probably unknown and unsung. Their attempts could not progress beyond the stage of an interesting novelty for two reasons: Carbon, the material which could give an adequate light, required a vacuum to light up; second, there was no reliable continuous supply of electricity. In the 1870s, however, with the advent of the Sprengel vacuum pump and reliable generators, the way was open for more serious endeavours. Hence Swan, Edison, and some others.

Dr. Brian Bowers, deputy keeper of the Science Museum in London, somewhat plays down the simplified account now put forward by the Newcastle Electric Lamp Centenary Committee. At least four inventors, he says, developed a practical lamp: two Americans and two Englishmen. Besides Swan and Edison, they were Hiram S. Maxim, better known for his machine guns, and St. George Lane-Fox.

Lane-Fox had fiddled about with platinum-iridium filaments, but switched to carbon and patented a carbon lamp in 1879. (His regional authority should be celebrating him this year, too). It was later sold commercially by the Anglo-American Brush Electric Light Company.

Maxim's lamp had a carbonised cardboard filament treated with hydrocarbon vapor and then sealed in an evacuated bulb. The U.S. Electric Lighting Company sold them for some years, but Maxim ungratefully became a British citizen and was later knighted, though whether for services to illumination or extermination is not known.

From this ruck, Edison's British patent—registered on November 10 1879—emerged as the dominant one. (Lane-Fox's was merely for a subtle improvement.) The Edison patent describes a carbon filament in glass from which the air is evacuated: but at the time of application, neither he nor anyone else had solved the problem of making a bulb that would last. The filaments, which were either carbonised paper or cotton, were extremely delicate. They broke, easily and frequently.

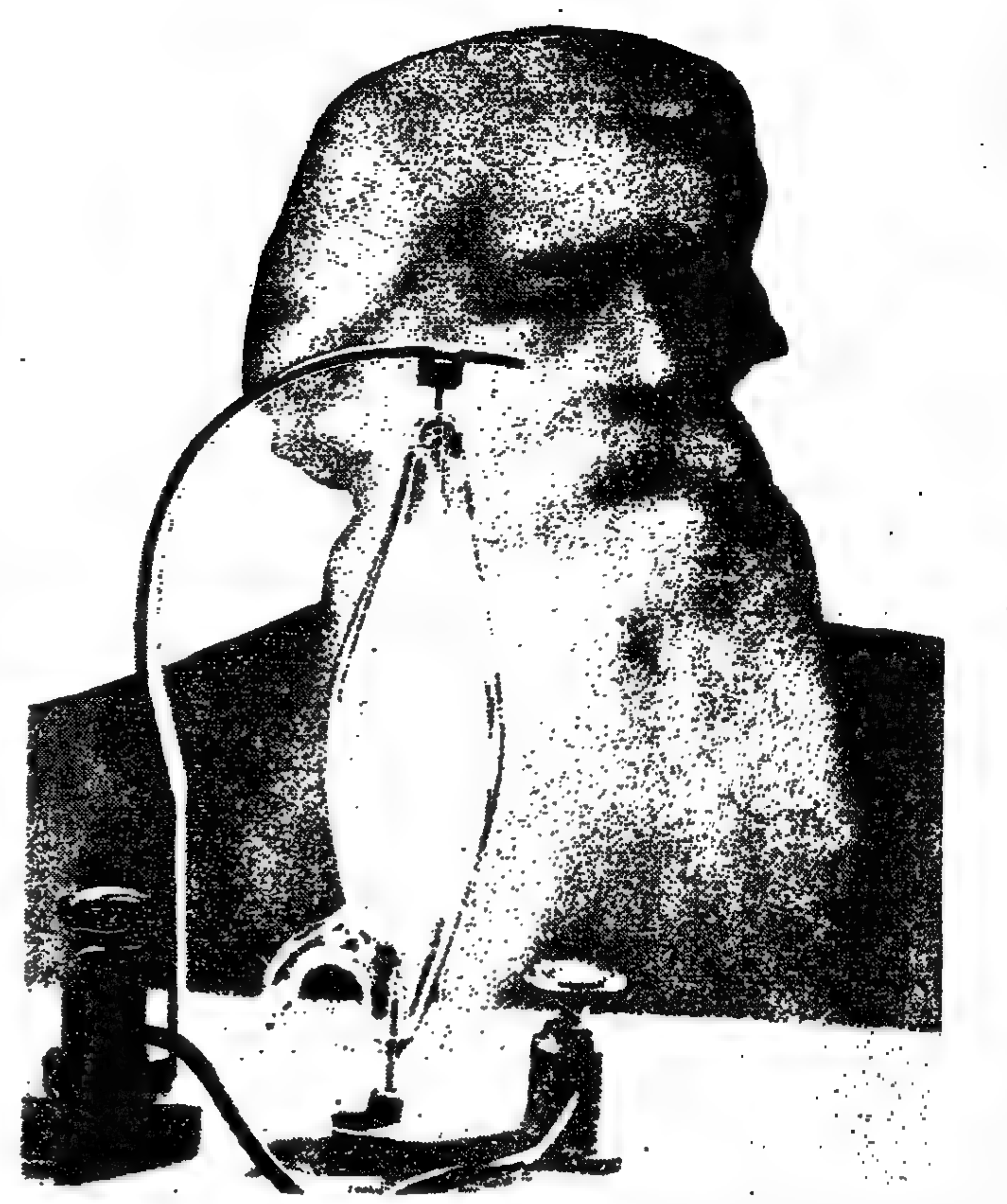
Swan came up with the idea of "parchmentised cotton"—that is, cotton treated with sulphuric acid to harden it, and then carbonised. Later, Edison chose bamboo fibres. Both worked.

Swan, recovered from the shock of Edison's arrival on the scene, chose not to let a patent get in his way. He helped found a company in Newcastle in 1881, and made up for his previous shyness by calling it the Swan's Electric Light Company with a capital of £100,000. But it was under-capitalised: shortly afterwards, it became one of the constituent parts of the London-based Swan United Electric Light Company, with a capital of £1m, in which Swan was very much a minority shareholder. (He was, by now, more interested in chemicals in any case.)

Edison attacked Swan United with all the fury of a monopolist baulked. He began a massive patent action against the London company, and created a great furore. The Electrical Review of the day inquired prophetically: "Is this a sham battle preparatory to a merger?" It was. The Edison and Swan United Electric Light Company was created in 1883.

Having ultimately behaved like gentlemen towards each other, they set about wiping everybody else off the map. They fought a number of legal actions on the basis of their joint patent, suing various companies (including Lane-Fox's). Finally their patents were upheld by a majority judgment of the Appeals Court in 1889, giving them a virtual monopoly. The halcyon days didn't last for long. The Edison 14-year patent ran out in 1893, and two years later, the number of electric light companies jumped from seven to 27, while the price of a lamp halved—a graphic indication of the Edison Swan level of profits.

This rapid sectoral growth could be sustained—the market was beginning to boom (and gas shares were plunging). The first Electric Lighting Act was passed in 1882, and municipal electricity supply schemes were developed slowly in the 1880s, much more rapidly in the 1890s. Outside the cities, the wealthy bought their own generators.



Joseph Swan and a replica of the electric lamp he demonstrated in Newcastle on February 3, 1879.

Technology moved, too. Various metals were tried in place of carbon in the late 1890s, and in 1904 tungsten, which has a very high melting point, was chosen as the most promising route for development. Ductile tungsten wire was developed in 1910 by the U.S. General Electric Company, gas (argon and nitrogen) to fill the bulb and reduce the evaporation of the tungsten came in shortly after. By 1934, the "coiled coil" tungsten lamp was on the market. Further development of the domestic light bulb technology then came to a complete stop.

Innovations to street and commercial lighting are another story. The intriguing thorium filament lamp, for example, was brought into production before the 1914-1918 war. Thorium's resistance to electricity goes down as it heats up, which was a considerable plus. However, it had a major disadvantage—in cold weather it had to be warmed up before it would light. When it was introduced into the Fulham borough lighting system in London, the lighting engineers had to wrap scarves round the lights on winter evenings.

In the 1930s, mercury and sodium discharge lamps took off as the tungsten coil seemed to have reached the apparent peak of its perfection. In 1940, the fluorescent tube was invented by the UK General Electric Company in association with British Thompson Houston, though the invention was taken over by American companies. The 1960s saw further innovations—notably the tungsten halogen lamp (where the introduction of a special chemical into the gas allows the pressure to be increased, and the filament to be hotter, and therefore brighter) and high pressure discharge lamps, mainly used for street lighting. Development continues in these areas.

The companies which made and sold the lamps have had a parallel history, often directly influenced by the changing technology. Seven major companies existed in Britain before the 1939-45 war: Osram (GEC), Mazda, Metropolitan Vickers, Ediswan, Siemens, Crompton Parkinson, and Philips. Now there are four.

The man most responsible for this concentration was Sir Jules Thorn. In 1926, he founded a little lamp company called Atlas, which was in the minor league. The development of the fluorescent tube during the war, however, gave him his chance. Seeing the potential of the tube he concluded an agreement with a U.S. company, Sylvania, and began to mass produce fluorescent tubes in 1946.

In 1950, he took over Ekco, another small manufacturer. By 1964, he was able to absorb AEI Lighting, itself a merger of Mazda, Metropolitan Vickers, Ediswan, and Siemens. Thorn Lighting became the dominant force in the lighting industry—ironically, by seizing on an invention made by its great rival, GEC. The other three bulb manufacturers in Britain—smaller in lighting but bigger as companies—remain GEC, Philips, and Crompton Parkinson, now a subsidiary of Hawker Siddeley.

Last year, the industry celebrated the last year of its first century by having a row. The major cause of it was a Scots postgraduate student named Mr. David Meiklejohn, who alleged that the manufacturers deliberately designed their lamps to have a limited life so that their profits might increase. Mr. Meiklejohn, if bold, was not original—such allegations are as old as the industry, and have a certain appeal. The concept of planned obsolescence is, like many conspiracy theories, attractive to a public which feels it is constantly paying more for less quality.

Thus, in 1978, the House of Commons Select Committee on Science and Technology bent its endeavours to discovering whether or not the lamp companies had been fooling all of the people all of the time. Its report was judicious.

On the one hand: "We cannot see any reason why the more widespread introduction of 2,000-hour coiled coil bulbs (the standard is 1,000 hours) which are at present only offered by one manufacturer (Thorn Lighting), should cause any great difficulties. . . . The user would benefit by having to change bulbs less frequently and would be no worse off in terms of light (with a 2,000-hour coiled coil bulb) than he would be with 1,000-hour single coil bulbs. We think the industry should be constantly on the alert to improve its marketing approach, particularly as regards the domestic consumer."

On the other: "We can find no evidence to support the contention that UK lamp manufacturers are colluding in order to keep lamp quality unreasonably low . . . we reject substantially all the criticisms of the performance and the durability of electric lamps manufactured by the UK lighting industry." In short—not guilty, but do better in future.

Thus the men in this industry can celebrate their anniversary with a conscience officially pronounced clear. They may, if they wish, examine their origins, attend the opening today of the exhibition "Joseph Swan—his life and work" by Mr. James Burke of the BBC at the Laing Art Gallery, Newcastle. But it should be revealed that the exhibition is not simply the innocent commemoration of merit unrewarded that it purports to be. Professor Peter Kirby, of Newcastle University, the chairman of the Centenary committee, admitted the deeper purpose.

"I hope that people will get the message that invention is important. As far as the North East is concerned, we want to show that we have been inventive, and we can be again." The North East, of course, needs jobs. Like most regions, it is bidding hard for investment by electronics companies. Towards the end of last year it announced, with some flourish, that a microelectronics research centre was shortly to be opened at Newcastle University. A new story may have begun.

Letters to the Editor

Directors

From Mr. R. Carr

Sir,—Discussion on worker directors appears usually to exclude the very crux of the matter: that employers, like their customers, pay only for what they want or judge necessary, or for the nearest available thereto—for their will to be done. Herculean labours are not worth a penny to those who have no need of them, and payment is not due in principle to self-directed workers.

Moreover employers buy or rent accommodation and equipment to serve their own or their customers' objectives. Should this accommodation and equipment be devoted instead to employee objectives, then upon the employees in plain justice rests the onus of purchase or rent payment.

Worker directors, therefore, as opposed to worker suggestions, make sense as a step towards unpaid, rent-paying, investing worker-entrepreneurs with the right to sell their product or service if they can, and perhaps to persuade their erstwhile employer to sell it for them, if he will. The risk that it will not sell, and that nothing will be received for all their pains, falls fairly enough on those controlling the enterprise, as it always did—only that means on the workers, whereas hitherto investors were the losers.

Is it reasonable, in the present climate of industrial relations, to expect anybody however foolhardy to underwrite, at personal expense, the performance of people over whom he has no control and in whose self-directed competence, reliability and goodwill he cannot repose confidence?

To appoint one or two directors as a token of friendship is conceivable. Nationally to provide for control by workers without proof of exceptional ability and integrity is to court disaster; to do so without adequate compensation in the event of disaster would be yet another gross injustice to those whose savings had been misappropriated and lost.

R. T. Carr,
Devonset,
Wellington Avenue,
Virginia Water, Surrey.

Utopia

From Mr. G. McKeeman

Sir,—Marx's theory of surplus value may be a sieve full of holes but it provides the Marxists with a useful myth worthy of a preservation order. It is a constant reminder of the parasitic nature of capitalism.

According to Marx the value of anything is the labour embodied in it. Labour is entitled to receive the full value of what it creates but does not because the capitalist creams off surplus-value. Come the revolution however justice will be done when the expropriated shall become the expropriators and retrieve the stolen surplus value. This appears to be the greatest myth of all, for when the capitalist geese have ceased laying their golden eggs, some source other than profit must be found for keeping capital intact, providing for net investment and securing adequate remuneration for the new bureaucracy.

State industry is an unlikely candidate as a substitute for the capitalist as its peculiar genius lies in the achievement of deficit value. No, come the revolution the new worker expropriators will have to exploit themselves. They will have helpful precedents to study in previous post-revolutionary belt-tightening operations designed to secure economic growth.

The following measures to assist in the expropriation by labour of labour might be appropriate: Achieve a perfect liaison between the TUC and the Government by a take-over (by the TUC). Merge all existing unions into a single state union. All existing union general secretaries to form the Cabinet and all such posts to become hereditary. Outlaw the strike as an anti-social device. Abolish all trade union legislation since 1825, retaining the right to picket factories to ensure the performance of a full working day. Increase average working week to fifty hours. Fix maximum wages. The working of overtime to be a privilege and a reward in itself.

Geoffrey McKeeman,
18, Steeles Road, NW3

Airports

From the Senior Vice President Kurt Salmon Associates

Sir,—I am reluctant to expand the correspondence about the forced move of airlines serving Spain and Portugal from Heathrow to Gatwick, but I am moved to do so by Mr. Kenrick's letter of January 23.

The reason for this highly disruptive move is due to the continuous lack of consumer orientation in the planning of our airports in this country, which is obvious to anyone who has the misfortune, as I do, to regard Heathrow as his second home. Those of us who regularly travel to the Continent on business choose to live in a part of the Home Counties near to Heathrow and this aspect has been totally ignored in putting the Iberian services at Gatwick. Mr. Kenrick's suggestion that all inter-European flights should use Gatwick would no doubt force the majority of European business travellers to move their homes or give up their businesses.

Far from being a "best solution" such a move would be even further removed from the right approach, which is to develop two, and eventually three, London airports as a city the size of London certainly requires, with services to major destinations being developed from each in accordance with commercial demand and consumer needs.

We have an airport system where it can take several days to clear two inches of snow, where discomfort and industrial disputes are the norm, and for which the strategic decisions regarding development of capacity at Heathrow, at Gatwick and at any third location have become a political football.

Mr. Kenrick's parallel with New York is correct in terms of long-haul flights going from one airport, but what he omits to mention is that to many destinations within America there is a choice of flights from two, if not three, of New York's airports for the convenience of the passenger, according to where in the area he lives.

Stuart D. Hollander.
119-120 High Street, Eton,
Windsor, Berks.

Independent

From Sir Derek Rayner

Sir,—As one of the independent members of the Civil Service Pay Research Unit Board, I should like to thank Mr. Layborn (January 16) and Mr. Furse (January 22) for their advice on how to discharge my responsibilities.

In response to Mr. Furse's question as to our qualifications for this appointment and our present employment, I shall leave my other colleagues, who are independent members of the Pay Research Unit Board, to reply to Mr. Furse as they think appropriate. For myself I have been a joint managing director of Marks and Spencer since 1973. Additionally, and for nearly three years (1970-72), I was on full-time leave of absence from my company first to advise the Heath Government on the reorganisation of the procurement of defence equipment and, subsequently for two years, to become the chief executive of the organisation I proposed. For details of the recommendations for that reorganisation, see White Paper Cmnd. 4641 but, in brief it abolished the Ministry of Aviation Supply, and brought together the Navy, Army and RAF defence equipment procurement into one organisation within the Ministry of Defence.

An additional qualification for membership of the Pay Research Unit Board is, of course, a willingness to undertake—unpaid—a job which occupies a great deal of time, particularly at weekends, reading the very substantial evidence collected by the Pay Research Unit, and to make myself available to those who wish to give advice. For example, last week some members of the CBI visited me.

(Sir) Derek Rayner.
Michael House,
Baker Street, W1.

Wealth

From Mr. E. Gurney

Sir,—The letter from the chairman of the Sound Money League and Tax Payers' Association (January 26) refers to inflation as a means of taxation. It is, of course, just that and is the result of deliberate Government policy, invariably that of a weak Government. Inflation is nothing at all to do with the demands made by the working population and I am sure the Chancellor, an intelligent man if nothing else, is not so stupid as to believe his utterances himself.

The issue is the confusion of "money" with "wealth" and one of the most significant vehicles for facilitating this confusion is the National Loans Act of 1968 which enables the Treasury to "raise money in such manner and on such terms as (it) thinks fit." The shortfall of revenue by taxation is, therefore, covered by the Government "borrowing requirement"—unfortunately the banks regard Treasury bills as "money in the till."

Let us suppose, as they do, that the banks supply finance to a leasing subsidiary. The same money is then spent once more and, furthermore, the lessee will get tax allowance on his rentals and the lessor—surprise, surprise—tax allowance on his capital expenditure. To compound the problem, the equipment or vehicles bought will probably be of foreign manufacture!

The whole affair smacks of "Alice in Wonderland" and the only significance of organised labour in the equation is the pressure which can be brought to bear by unions in key sectors of the economy in order to take a larger share of the progressively reducing "wealth cake," which inevitably gets more and more out of line with "money." The legislation, administration mechanism, and financial institutions which make this sleight of hand possible are extremely complex but the principle is no more profound than that expounded by Mr. Micawber.

E. R. Gurney.
E. Roland Gurney and Partners,
30, Milsom Street, Bath.

Rebates

From Mr. G. Macdonald.

Sir, — I am often annoyed at the way many strikers are able to obtain tax rebates from their employers. It seems that the employers have to subsidise the strike action taken against them. Many employers think so, too — but they are wrong. There is no obligation on an employer to pay tax rebate either to strikers, or to those who are laid off as a result of a strike, in their company.

It might be helpful for employers to know the following details. They are contained in Regulation 24 of the Income Tax (Employments) Regulations of 1973. If people go on strike or are laid off as the result of a strike on a company site, the company should notify the Inspector of Taxes of those employees striking or laid off. This notice should advise the Inspector of Taxes that the company does not intend to make a tax repayment. This notice should be sent by the first usual pay day after the strike or lay-off begins, then, after the strike or lay-off, the Tax Inspector should have a notice giving the dates of recommencement of employment for all individual strikers or those laid off as a result of the strike action.

If more employers would follow this practice the striker would have to wait until at least the end of the tax year before recovery of rebate and this might involve a wait of several months beyond the next April.

George Macdonald.
17, Copperas Lane,
Denton Square,
Newcastle-upon-Tyne.

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Controversy about oil prospecting in a Cotswold beauty spot.

By Anthony Moreton, Regional Affairs Editor

More power to Guiting Power

ON THE public notice board of the Gloucestershire village of Guiting Power, population 400-or-so, there is a notice which says: Don't let your dog put a dirty mark on Britain.

The plea may be addressed specifically to the village's dog owners. *But the implications* about how to keep this scenic hamlet clean and tidy have in the past few months reached out to a much wider audience, for industry is about to come to Guiting Power, and the village is deeply divided over whether it wants it.

Guiting Power is one of the beauty spots of England. It can stand comparison with Corfe Castle in Dorset, or Hawkeshead in Cumbria or Baslow in Derbyshire. Unlike most other beauty spots, there has been no attempt to tart it up. To begin with, it has its priorities right — just two shops, a post office and two pubs. The pubs are not the sort of places to which people drive miles just to be seen with their dogs, and the shops still sell goods from behind counters.

New people

*Because the village has main*tained its character, it has inevitably attracted new people, some to retire in rural seclusion, *some to* commute to work in Cheltenham or Evesham. Many of them do not like the fact that Consolidated Oil and Gas (UK) *has applied* to drill a borehole in a corner of a field called Big Drift, just half a mile from the centre of the village. At the heart of their opposition is the argument which is common in many other parts of Britain: how far should industrialisation creep into the countryside?

On Thursday morning a group of officials from the Cotswolds District Council trudged across the fields in the rain to look at the spot where Consolidated wants to drill. They are almost certain to give the company the go-ahead.

A direct parellel can be made between Guiting Power and the Isle of Purbeck in Dorset, just a couple of miles from Corfe Castle itself, where Gas Council (Exploration) last year found oil on a sizeable scale. Some years ago RTZ was widely criticised for undertaking exploratory work at Coed y Brenin in the Snowdonia national park and the South of Scotland Hydro Electricity Board was not exactly *welcomed with open* arms when it searched for uranium in Orkney, though Consolidated Goldfields was more kindly received by the people of the Grampian region.

That Guiting Power is in such fine shape is very much due to the work of one man, Mr. Raymond Cochrane, the Lord of the Manor. Mr. Cochrane owns half of the village's 113 houses and some 1,100 acres of the surrounding land. When he arrived in 1958 some 18 of his houses had been condemned as unfit to live in. He formed an amenity trust to protect his properties and later put the land into the trust in 1974. To some *of the villagers it is* therefore all the more surprising that he is in favour of the proposal to prospect for oil.

Not all of the villagers back him. A parish meeting just before Christmas opposed Consolidated Oil's plan by 24 votes to 15. Since there are 271 on the electoral roll this may not indicate very active public interest. But the inevitable happened: around 80 (including a couple of outsiders) were in the hall for the start, though, by the time the vote was taken at 10.15 more than *half of them*, either impressed by the quality of the speeches or—more likely—by the hardness of the seats, had left.

Mr. Cochrane talks of "agitators and outsiders"; there may have been a few of the latter but what the world considers to be "agitators" were certainly not in Guiting Power that night. *To be fair, Mr. Cochrane has* tried successfully to keep a balance in the village between people who see it as a haven of peace and quiet, especially to retire to, and a place where people may work as well as live. "We are trying to keep one Cotswold village where local people can live," he says. Of the 42 owner-occupied houses in the trust, 18 are occupied by locals, an encouraging figure since rural depopulation is as worrying in Gloucestershire as in mid-Wales or the Scottish Highlands.

Jobs for locals

If the concept of providing homes for locals is to be carried to its logical conclusion, then work must be found for them, too—not just driving a van, but something that offers the possibility of expansion.

The opposition, however, is on strong ground when it points out that any oil or gas found in Guiting Power will produce no economic benefit for the village. If the prospecting is successful any oil will either be taken out by large bowsers or pumped by underground pipe to a railhead six miles away.

All the locals will get is the noise and nuisance as 20-ton lorries pound along the narrow lanes and round the sharp bends. This is the land of the B road, not the motorway, and there will be mishaps as the industrial giants mount the verges to allow other cars or herds of cattle to pass.

Consolidated Oil is aware of these seemingly *parochial* conflicts, even though it operates from headquarters in Calgary, some 7,000 miles away in the heart of Canada's wheat belt where narrow lanes and sharp bends are as common as the rainbow. It has already undertaken other prospecting in Britain, notably in Highworth, just outside Swindon, and at *Sherbourne, in Oxfordshire*, a few miles away from Guiting Power. It has a reputation as a considerate firm.

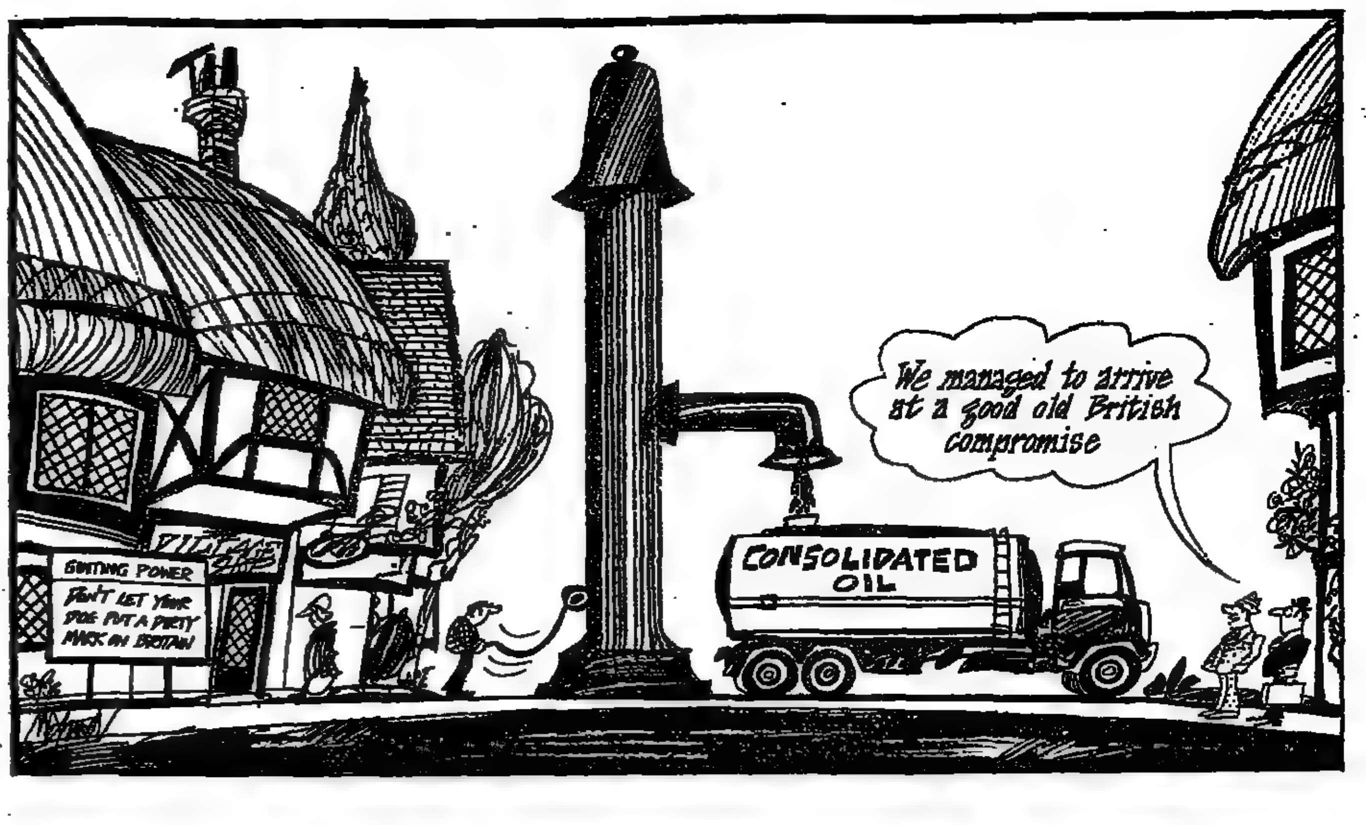
It is the operator for a consortium in which it has a 25 per cent stake, Shell a half share and Teck Corporation, a Canadian oil and mining concern, the rest.

The consortium has all the big *guns* on its side. Under the Petroleum Production Act of 1934 all oil and gas under land was in effect nationalised. The owner of the land is entitled to no royalties from any oil found though he may negotiate a payment for such things as widening gates, improving roads and replacing hedges. All the revenues from the oil go to the exploration company with the state taking its share in royalties and tax.

In this, the owner of the land is in a very different position from someone on *whose* property coal is found. A similar coal Act in 1938 put £66m into a kitty to be shared among coal owners; *since* that *amount* has long since been exhausted, it is not altogether clear what responsibility the National Coal *Board would feel if it* came across a big find during its explorations.

A very large hunt for oil is now *going ahead on the main*land of Britain, stimulated to a considerable extent by the discoveries in the North Sea. On*shore oil prospecting has one* very big advantage over that taking place out at sea — that of cost.

Gas Council (Exploration) — a subsidiary of British Gas — operating on behalf of itself and British Petroleum, made the first *big on-shore discovery in* the last days of 1977 when it found oil in sizeable quantities at Wytch Farm, on the Isle of Purbeck.



The Wytch Farm field is believed to be equal in size to a medium-sized North Sea field, probably bigger than Argyll and about the *size of Auk*. But whereas an offshore field costs about £500m to develop, Wytch Farm will probably not set *GCE back by more than £10m.*

GCE went to great lengths to protect the countryside, which contained the Dartford Warbler, a *rare bird, some vanishing* heathland and some rare crickets and grasshoppers. Consolidated Oil is just as aware of the needs of conserving the countryside and is unlikely to act differently to GCE.

But there is no escaping the fact that when industry—any industry—intrudes into the countryside the countryside suffers. Sometimes those effects can be minimised. The National Coal Board creates a landscape rather like the surface of the moon with its open-cast operations but it also restores the land excellently afterwards. The way the Wytch Farm field has been developed is a very good example of social awareness.

But it is not always easy to combine this with commercial prudence. The roads around St. Austell are covered in china clay dust, the steelworks at Port Talbot belt out a filthy orange smoke and the smell from many chemical works is equalled only by that from a sewage farm.

There is another argument: there is already some industrialisation on Guiting Power's doorstep, so why cavil at a little more? The industry is, in fact, a quarry and quarries (which dot the area) cause a *lot* more noise and scar the countryside far more deeply than any oil field will.

On the same notice board in the village as that warning the dogs (via their owners) there *was an application from* the BBC to erect a relay mast 98.5 ft high: another manifestation of industrialisation and a despoiler of the village. But few people made a fuss about this.

Even if oil comes to Guiting Power, the village's inhabitants are *unlikely* to abandon all resistance to any further industrial inroads, even though they are not sure what form future resistance should be. Like similar communities elsewhere watching the countryside vanish at an unacceptably fast rate, Guiting Power has no desire to see Britain suffer the same fate as Japan where it is now virtually impossible to find a quiet rural retreat within reach of any of the major cities.

Weekend Brief

New reels

WHILE the rest of British industry is reeling under the blows of economic unrest, film-making, the one sector which usually plays Cinderella to everyone else's Prince Charming is having something of a promising start. The British film industry has had a quite remarkable first few weeks of 1979 Lord (Lew) Grade's unveiling of Black Lion Films, which will make material aimed at the British TV and cinema screens, comes after the setting up of Southern Pictures, with which Southern Television *hopes* to break into the international film business. It also coincides with indications that Grade has at *last found a box office block*buster with Capricorn One and that brother Lord (Bernard) Delfont is about to change EMI *fortunes with Deer Hunter*, a film which shows promise of being Britain's first box office rival to Star Wars and Jaws.

If only half of the promise turns out to be fact then the film business is in for one of its best years since the mid-*1960s. Unfortunately there are* a few grey clouds. Trident-Barber's excursions into film-making had an inauspicious start *with the Four Feathers and* does not seem to have improved with Somebody Killed Her Husband, in spite of the pre*sence of the delightful Farah* Fawcett Majors.

Grade's man in day-to-day charge of Black Lion is Charles Denton, *who reckons that even* now the pressure on British film capacity is such that getting post-production facilities, such as cutting and editing, at short notice is extremely difficult.

Black Lion will operate separately from Grade's ITC, which will continue with its international emphasis. Artistically, you may not approve of the Porridge film (from the TV series) as a first effort for Black Lion, but at least it is work for the British studios. Incidentally, according to Grade himself *the* BBC does not get a penny from the Porridge film rights, thanks to the author's retention of such ancillary privileges.

EMI *seems* to be in an agonisingly delightful position in that it does not know whether or not to boast about Deer Hunter. It *ran for one brief week* in the U.S. last year in order to qualify for Oscar nominations and reopens later this month. Soon *afterwards it has its London* first night. The critics who have seen it reckon it to be the best thing for many years, although *this does not necessarily mean* that money will pour in on a Gone with the Wind scale—but it might. A *hit* film can easily put £50m cash into the coffers of the generating company in one year. Thus the nail-biting in Manchester Square (EMI's headquarters) at the moment.

Hard times

MEANWHILE the BBC has its own problems with its much vaunted Shakespeare series. Although the domestic market was offered the £7m series with much fanfare, little mention was made of the fact that some £1.78m of the seed money was coming from American sponsors.

With any luck this long term project will be to some extent self-financing if not self-liquidating. Overseas sales should help to produce some of the money needed to finance the later parts of the series. British shyness about discussing such ugly things as money and sponsors is not shared in the U.S. where Exxon (Esso), Metropolitan Life Insurance and Morgan Guaranty have been happy to talk about their show and the amount of cash they have put into it.

In America, the sponsor, and the BBC's U.S. partners, Time-*Life, have made great play of* selling the series for educational use.

An educational programme has been prouced with Teled Inc. and Stone Associates of Los Angeles which will send more than 27,000 secondary schools across the country an extensive package of audio-visual materials designed to co-ordinate class room assignments with TV performances. At the university and two year college level the University of California has prepared a course of study (funded by the National Endowment for the Humanities) to accompany the Shakespeare series and will distribute it to more than 300 universities and colleges.

So *far* there is little indica*tion that the British Ministry* of Education is willing to capitalise on this British product in anything like such a spectacular way.

Apart from TV and the universities, American National Public Radio plans to present a series of radio broadcasts to go along with the TV plays. Radio stations from coast to coast will broadcast as a "Shakespeare Festival" a biographical series and documentaries on the life and times of the author.

Meanwhile, of course, the BBC is still knee-deep in its arguments over who is going to play Othello in the series. Until now the Corporation has always insisted that when it involves itself in sponsored shows and co-productions it never *allows the nasty foreigners* to involve themselves in programme content. Now it has emerged that the Americans are *simply not going* to tolerate a blacked-up British white man as Othello when there are around such eminent American black *actors as James Earl Jones*, arguably the best Othello in the world at the moment. British Equity says it will not allow an *American on the set in this* part. Thus we have a trans-Atlantic impasse. Othello, needless to say, has been put off. Mr. *Jones*, meanwhile, waits in the wings.

Americans are also feeling the energy crunch and turning back their thermostats. To help ward off the patriotic chill is an item called by the manufacturer the Snug-Sack. It is a quilted comforter *resembling a sleeping bag with arms.* Handy if staying in one place to read or watch television this item retails at between $20-40.

The Snug-Sack was so popular this season that the original manufacturer *Heritage House is putting $1.6m into* expanding its North Carolina plant. Heritage alone shipped 1.1m pieces this year and the industry projects 4-5m pieces to be sold by the end of the season, according to the trade publication Home Furnishings *Daily*. *Among the other* interesting products out on the market in the same vein is a Game Bag—a quilted bag to be worn at outdoor sporting events and the Snug-Suit, a Snug-Sack with legs for people with chilly homes and a desire to roam.

Milky way

The British can thank the milk bottle for the fact that they are the only people in the EEC to have milk delivered to their homes seven days a week. That it is left on the front doorstep, the back step, on the coal bunker or even in a specially dug hole in the front garden is thanks to the goodwill and remarkable memory of the average milkman.

It was 4.30 am when we, the milkman and I, set out to plough a furrow through the thickening snow while striking railwaymen, lorry drivers, school caretakers and ambulance drivers slumbered late into the morning. In the pitch dark, with not even a glimmer from a rogue street lamp, we arrived at the garage where the electric milk floats are left on charge overnight.

The journey *from there* to the dairy, two miles away, to load up with crates is painfully slow and very cold: a milk float has no heater and its *sliding doors* are prone to slide open all too well.

But at the dairy, all is light and bustle, with a bevy of boys, aged between 10 and 12, hanging around hoping to get taken on to floats as temporary helpers, for 50p a morning, before being dropped off just before 9 o'clock at the points nearest their schools.

Milk, lemonade, sausages, bread, eggs and potatoes—all are counted and loaded on to the float. And we set out on the round, again painfully slowly.

Milkmen are very fit men, running everywhere and, if no one is looking, leaping fences. It all helps to keep the cold out. Otherwise, on a freezing winter morning, shining torches to distinguish the gold top from the silver and the lemonade from the orangeade, the chill would be intense.

Carefully washed tin cans left out by the householder are equally carefully placed upside down over the bottle tops, notes in bottles (or little wooden cupboards) are read by torchlight and the instructions followed, special signals are observed—a light left on here means leave 1 pint; no light means no milk.

The notes can be a nuisance; too often a changed order means a double journey to the same house which could have been avoided had 24 hours' notice of today's requirements been given.

A bottle is broken: its top and a fragment of the glass are carefully rescued to be taken back to the dairy and produced in order to square the accounts.

Dawn begins to break, and a small boy appears, sent out to find the milkman and get a packet of cornflakes for breakfast. Taking the family's three pints tucked in his arms, too, he struggles back through the snow and into the warmth.

With the dawn comes a fine, freezing rain, penetrating several layers of clothes and making it almost impossible to lift the bottles out of the crates, let alone carry six or eight empties back at a time, suspended from our hands like cows' udders.

For the milkman, who has never even stopped once for a hot drink from the vacuum flask his helper has brought along, it has been a normal morning. And the extra, though inexperienced, help has cut the time needed to do the seven-day a week round this morning by an hour.

Back at the dairy, Mr. Ronald Angel, Home Counties Regional Dairy Manager with Co-operative Retail Services, is supervising the repair of a conveyer belt. It should be carrying washed bottles around to be filled; instead the cold has affected it, too, and something has cracked. But the plastic cartons, stacked ready for shipment to *local Co-op* supermarkets where they will sell for 1p or 1½p more than the pints left on customers' doorsteps, are unaffected by the hold-up.

The cartons cost 1.69p each, but can be used only once; the milk bottle costs 5.4p, but makes an average of 50 trips. And electric floats, slow though they are, are far-and-away the cheapest form of transport for the [illegible], providing a service [illegible] ed probably anywhere.

Contributors:
Arthur Sandles,
Caroline Hyde,
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and Pat Walker.

Economic Diary

TODAY—Prime Minister is opening speaker at two-day Labour Party Local Government Conference, City Hall, Newcastle.

SUNDAY—Mr. David Ennals, Secretary for Social Services, main speaker on second day of Labour Party *Local* Government Conference, Newcastle.

MONDAY—Mr. Gordon Richardson, Governor of the Bank of England, and Mr. Jacques de Larosiere, managing director of the International Monetary Fund, are principal speakers at *Overseas Bankers Club banquet*, Guildhall, London. Trades Union Congress economic committee meets Ministers, Congress House, London. EEC Agriculture Ministers open two-day meeting in Brussels. Provisional January figures for wholesale prices. Statement by House Builders Federation on house-building prospects. Hire purchase and other instalment credit busines *(December)*.

TUESDAY—House of Commons debates disruption of education services. EEC Foreign Ministers meet in Brussels. Meeting of National Union of Mineworkers and National Coal Board negotiators. London clearing banks' monthly statement (mid-January).

WEDNESDAY—Prime Minister is chairman of National Economic Development Council monthly meeting to discuss industrial strategy. Special meeting of TUC general council, *Congress House, London*. Dr. David Owen, Foreign Secretary, speaks at Foreign Press Association luncheon, Savoy Hotel, London. International Monetary Fund auction 470,000 ounces of gold, Washington.

THURSDAY—Full meeting of NUM executive on pay. Crown Agents Bill second reading in Commons. Meeting of Confederation of Shipbuilding and Engineering Workers, Imperial Hotel, London. Sir John Methven, director general of Confedera*tion of British Industry*, at British Industrial Measuring and Control Apparatus Manufacturers' Association luncheon, *Cafe Royal, London. Provisional* figures of vehicle production (January).

FRIDAY—Central Government financial transactions (including borrowing requirement) (January).

UK COMPANY NEWS

Hirst & Mallinson 35% growth in mixed year

WITH SECOND-HALF profits advancing from £113,400 to £320,000 Hirst and Mallinson has made up the ground lost in the first six months and the pre-tax figure for the year ended October 28, 1978, emerges 35 per cent ahead at £445,100.

When reporting on the first half the directors said they were looking to a second-half recovery and forecast a full year's result better than that of 1976-77.

While profits have risen the year has been one of mixed fortunes for the group. Products and services gained greater acceptance in the UK and new export markets were developed. However there were temporary problems in the West African markets and the group was affected by the current uncertainties in the Middle East. Also the group is being increasingly affected by the price war in the pharmaceutical distribution industry, states Mr. M. D. Crompton, the chairman.

Because of changes in the market place one small sector of the business has been closed and this has caused an extraordinary item of £73,000. Some ground has been made in the removals field but the market for overseas removals has not yet improved.

Overall, however, the chairman considers that the group has made reasonable progress and he believes the group's position has been further strengthened. This is reflected in the balance sheet where shareholders' funds now represent some 60p per share, and net borrowings have been reduced.

Earnings per share are stated to be up from 8.4p to 11.0p. The dividend is raised by the maximum permitted — from 1.8p to 2.0p, with a final of 1.0p.

	1977-78	1976-77
	£	£
Turnover	15,616,100	14,507,700
Profit before tax	445,100	330,100
Taxation	8,200	†4,300
Net profit	436,900	334,400
Extraord. costs	72,800	—

† Credit.

The interests of the group cover catering equipment distribution, silverware international removals, pharmaceuticals and textiles.

● **comment**

Hirst and Mallinson's second half recovery is much in line with market predictions, and full-year profits show an increase of 35 per cent. The company does not give a breakdown but clearly the textiles division, coming up from a low base, has played an important part, in spite of continuing competition from cheaper imports; margins on sales of woollen cloth are slightly better, mainly due to a fashion swingback to natural fibres. Elsewhere, the pattern is mixed. In the distribution division, the pharmaceutical side is having to contend with the current price war while catering equipment, although showing some progress, has its export problems. Overseas removals business is also being affected by the drop in emigration from the U.K. Meanwhile, the prospects for the current year are overshadowed by the current industrial troubles. At 38p the main support is the 8 per cent yield, while the p/e is 3.4.

CMT holds up 'quite well'

THE RECENT spate of national strikes had been weathered quite well by Central Manufacturing and Trading, the chairman Mr. N. N. Hickman, told the general meeting.

But he warned that this production could never be retrieved and the lower the productivity of customers the less services they were likely to need from a group such as CMT. "The next six months, therefore, will not be easy."

To date, the industrial services, steel stockholding and metal processing divisions had shown considerable increases in sales compared with the corresponding period last year.

The tubes, fittings and forgings division and the light engineering division were continuing to compete vigorously in a generally slack market.

Brigray near break even

RECOVERY to near breakeven operation was achieved by Brigray Group in the first half of 1978-79 following 12 months in which the company had fallen from £174,000 taxable profit to £233,000 loss. For the half year to October 19, 1978, the loss was £1,000 against £46,000.

Mr. T. G. Wyner, the chairman, said yesterday that discussions on a possible takeover approach, first reported in December, were continuing and he expected that a further announcement would be made within the next 14 days.

As to prospects for the rest of the year he pointed out that though the second half is not usually as profitable as the first the group will be able to take advantage of the significant reduction in overheads from the sale of the freehold at Newman Street, London, which realised some £0.75m.

Sales by the clothing and jersey fabrics manufacturer were £0.13m better at £1.25m for the six months. Again no tax is payable.

The loss per 5p share is stated at 0.01p (0.6p) and there is no interim dividend. The last payment was a 0.06p final for 1973-74 when profit was £103,000.

Sekers rights to raise £0.4m—forecasting higher profit

Sekers International, manufacturer of furnishing and dress fabrics, is raising £0.4m net by way of a rights issue to finance future expansion. The gross dividend for 1978-79 is being lifted by 38 per cent and a good rise in profits is indicated.

The issue is on the basis of two-for-seven at 27p per share, compared with last night's closing price of 35p. The directors say that they consider it appropriate to enlarge the company's equity base in order to finance future development, both internally and by acquisition.

The proceeds will be used in the first instance to reduce short-term borrowings. At January 26, 1979, total borrowings stood at £0.73m, including £0.38m secured short-term loans and overdrafts.

The directors are proposing a final dividend of 1.35p net for a total of 2.1p (1.514p). The Treasury has indicated that while the dividend proposals fall outside the duration of the present legislation, were the legislation to continue in its present form its consent would be forthcoming.

For the year ended March 31, 1979, the directors are forecasting "a substantial increase in profits" over the previous year's £0.32m pre-tax.

Vantona Group, which owns 26.9 per cent of Sekers' equity, has indicated that it intends to take up its entitlement in full. The remainder of the issue has been underwritten by Guinness Mahon and Co. and sub-underwriting is in progress.

Brokers to the issue are Panmure Gordon and Co.

New capital issue

Statistics compiled by Midland Bank show that the amount of "new money" raised in the UK by the issue of marketable securities in January was £32.3m, an amount almost identical to the £32.7m raised in January 1978, but the lowest monthly figure since October.

Issues by companies accounted for more than 85 per cent of the total through six rights issues of ordinary shares amounting to £27.6m. The largest of these were by Haslemere Estates (£12.1m) and Associated Biscuit Manufacturers (£9.9m).

Public bodies raised £4.5m through seven issues of yearling bonds. Six issues totalling £4m came from local authorities, while the South Yorkshire Passenger Transport Executive raised £0.5m.

Recovery Trust launched by Craigmount

Craigmount Unit Trust Managers, the unit trust arm of Craigmount Investment Management, launches Craigmount Recovery Trust this weekend. Units in the new fund are available until February 16 at the fixed price of 50p each to give an estimated gross dividend yield of 5½ per cent. The minimum investment is £1,000.

Craigmount will be seeking to invest in shares of UK companies which have suffered a temporary setback and whose market rating fails to recognise the recovery potential. The size of eligible companies will not be a ruling factor and dividend yields will be considered of secondary importance to potential capital gain.

The risk element which, by definition, is higher in a trust of this type will be diluted through maintaining a broad spread of investments in the portfolio.

Sun Alliance linked life

Sun Alliance Linked Life Insurance, the linked life member of the Sun Alliance Group, has extended its product range by launching a regular premium contract—The Sun Alliance Investment Plan. This aims at providing investors with a flexible tax efficient savings vehicle providing maximum investment of the contributions by keeping the death cover low without affecting the tax qualifications.

The term of the plan, which has to be specified at outset, varies between ten and 30 years. The amount invested in units varies according to age at entry and the term chosen. Investment can be made into units of any one of the six funds managed by the company—equity, fixed-interest, property, international, deposit and managed. There are full switching facilities between the funds. There is a contract fee of £1.50 per month (£15 per year) deducted from the premium before investment. The minimum outlay is £30 per month or £300 per year.

At the end of the specified term, the investor can take either a tax free sum, draw a tax free income, cease paying premiums and make the contract paid up or continue the plan.

GRA Property turns in £551,000

ON TURNOVER up from £9.63m to £10.06m taxable profits of GRA Property Trust, the greyhound racing, catering and property group, rose from £273,000 to £551,000 in the year to October 31, 1978.

The preliminary results show the pre-tax figure was struck after income from investments, down from £551,000 to £11,000, and net interest payable which fell from £1.56m to £830,000.

Profit on asset disposals before tax are £353,000 (£1.57m).

A further payment of £302,000 representing 10p in the pound, and making a cumulative total of 55p, was paid or provided on January 31 this year in respect of claims from unsecured scheme creditors.

Results due next week

Next week's Stock Exchange list is very thin, with only 30 companies scheduled to make profit announcements. Following BAT last week, Imperial Group is due to report full-year profits on Thursday, while interims are expected from Dowty, United Dominions Trust and Alcan Aluminium (UK).

On Thursday, Imperial Group is due to report full year figures following the results from another tobacco giant, BAT Industries, which were announced earlier this week. Although BATs turned in slightly better than expected profits, City analysts are still projecting pre-tax profits of around £128m (£129.1m) for Imperial Group. The company is expected to recover after the disappointing interim figures thanks to a 3p per packet price increase on cigarettes and the recent upturn in the performance from the foods division, which contributes around 20-25 per cent of sales and profits. A 10 per cent increase in the dividend is a popular guess among the analysts.

With record orders on hand, Dowty is expected to turn in a sparkling set of first half results next Wednesday. The company has now recovered fully from the serious fire at Rotol in April, 1977 which destroyed part of a factory and aerospace profits should reflect the sharp build-up in the production of the MRCA (Tornado) project. Elsewhere, following the productivity deal with the miners, the volume of orders from the NCB has been strong but this is evidently tailing off. However, any slack in the mining division will be taken up by increased exports of coal mining equipment to China. Generally, analysts are expecting profits of around £13.5m (£11.05m) rising to at least £30m (£25.04m) for the year.

Interest rates have moved against United Dominions Trust in the first half of the current year. In the comparable period last year the group recorded £9m pre-tax and, with the Minimum Lending Rate moving up throughout the period to December 1978 to around 12 per cent it is unlikely that UDT will be able to quite match that. As it is still in the Lifeboat, there is not a lot of interest in the stock among City analysts but estimates suggest that the most likely figure for the period is £8.5m. Consumer finance companies have enjoyed a buoyant trading period but, apart from the gradual rise in market rates, UDT has also been troubled by losses in its overseas activities.

The first preliminary results since May's loan stock conversion and subsequent ordinary share listing are due from Alcan Aluminium (UK) on Friday. In view of the interim figures, which were roughly two-thirds lower at £5.1m, pre-tax profits for the year are expected to be well below the £24.7m in 1977 with estimates this time ranging from £11m to about £13.5m The optimists point out that trading was much better in the second three months and believe that this trend has continued. Alcan's business, however, is very highly geared to aluminium prices and even a minor shift in the offtake from industry can have a sharp impact on profits. Meanwhile, the group is less exposed to consumer products than British Aluminium so will not have felt the same benefits from last year's higher spending.

Other results to note are preliminaries from F. Pratt Engineering and St. Andrew Trust.

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
FINAL DIVIDENDS				
Cloverhouse Investment Trust	Monday	1.5	2.3	1.5
Dewhurst Dent	Wednesday	0.65	1.044	Nil
Evode Holdings	Tuesday	0.3575	0.7845	0.3629
Glasgow Stockholders Trust	Friday	0.85	1.55	1.0
Hallam, Sleigh and Cheston	Tuesday	0.26	—	0.67
Hill and Smith	Thursday	0.68182	1.30909	0.75
Imperial Group	Thursday	2.25	3.41	2.25
Pratt (F.) Engineering Corporation	Wednesday	1.6482	3.1639	1.8391
St. Andrew Trust	Thursday	1.5	2.65	2.0
Scottish Agricultural Industries	Wednesday	5.0	7.0	5.0
Sterling Trust	Wednesday	1.7	3.6	2.2
Tribune Investment Trust	Thursday	0.45	0.85	0.55
INTERIM DIVIDENDS				
Benn Brothers	Wednesday	0.8	1.56565	
Clifford and Snell	Monday	0.3123	0.3227	
Crouch Group	Tuesday	0.9075	2.0675	
Dowty Group	Wednesday	2.21	2.255	
Hillards	Wednesday	1.0	3.9301	
M.L. Holdings	Thursday	1.5	2.80852	
Ransom (William) and Son	Thursday	1.1616	1.9747	
Stirling Knitting Group	Monday	0.35	0.4	
Textured Jersey	Tuesday	0.5	0.5	
Unitech	Tuesday	1.452	2.5785	
Vibroplant Holdings	Monday	3.96	6.6865	
INTERIM FIGURES				
Ewart New Northern	Friday			
Jackson (William) and Son	Tuesday			
Mining Supplies	Wednesday			
United Dominions Trust	Wednesday			

* Dividends shown net pence per share and adjusted for any intervening scrip issue.

Freddie Mansfield

Lord Kissin, chairman of Guinness Peat.

Interim profit fall at Guinness Peat

GROUP PROFITS to date of the Guinness Peat Group are lower than those of the comparable period of last year, the directors state in their interim report.

The group is trading profitably and actively in all divisions but difficult conditions have been encountered in certain areas. They say that at this stage they cannot make an accurate forecast of the outcome of the current year.

Factors relevant to the group's position are the industrial disturbances which affect all activities concerned with the movement and distribution of goods and commodities within the UK or through the ports, and the consequential higher cost of finance.

The directors point out that adjustments will also have to be made for the indigenisation of the Nigerian subsidiaries, which may have taken place by the end of the year, and the possible liquidation of the group's residual interests in Iran.

There are a number of major new developments in overseas territories which are nearing completion, but the date when the contracts for these will be signed and exactly what impact they will have on this year's profits, is not yet clear.

The directors say that the outlook for the future of the group remains encouraging. An interim dividend of 2.25p is declared (costing £1.47m) and they expect to recommend the maximum final dividend permitted of 3.42p which would effectively raise the total from 5.125p to 5.67p. Group pre-tax profit in 1977-78 was £11.07m.

The group's interests cover commodity broking and dealing, commodity processing, merchanting, chemicals and pharmaceuticals, insurance broking and banking, and food distribution and property.

● **comment**

In the usual absence of any hard profit figures from Guinness Peat the market was left to make what it would of the interim performance. The diagnosis yesterday was gloomy since, as an international trader, GP might reasonably be supposed to suffer from exchange parity shifts and, latterly, the effects of the UK transport strike. The shares lost 4p to 115p, but that verdict may be somewhat harsh. Certainly profits will be hit badly if the strike reaches into the spring but currency exposure is limited to profits generated by the U.S. subsidiaries where the contribution is only now becoming material. Other exceptional factors look to be noteworthy merely for their nuisance value. Iranian interests were written off last year and only £250,000 remains at risk as a remnant of an arbitration case which GP has already partly won. Surrender of 60 per cent control of the Nigerian subsidiaries to indigenous interests might produce a £700,000 income shortfall but the group seems reasonably confident that the long term effects will be slight. The dividend policy now looks more comprehensible to all concerned and the projected total rise of a tenth gives a yield of 7.5 per cent. The next balance sheet is likely to show a further 15 per cent goodwill write off.

Marine & General Assce. pension expansion

The start of the new State pension scheme proved beneficial last year to Marine and General Mutual Life Assurance Society. Its new annual premiums tripled from £882,000 in 1977 to £2.63m last year, most of this growth coming from pension business.

The company took the decision to go for the smaller company market and the contracted-in companies with its Design for Retirement Pension Plan. Sales of this plan in 1978 amounted to £1.42m against only £50,000 in 1977.

The company's annuity business remained steady last year, with annuity considerations rising by 12 per cent from £1.67m to £1.87m.

MGM Assurance has also increased its reversionary bonus rates for 1978. On the Design for Retirement Plan it has been improved by 20p per cent to £4.20 per cent of the basic benefit and attaching bonuses.

On ordinary life and endowment business, the basis has been simplified resulting in rates being improved slightly. For whole life contracts it is £6 per cent of the sum assured for policies effected before 1969 and £5.50 per cent for those taken out later. The rate for endowment assurances is £5.50 per cent simple for pre-1969 contracts and 5 per cent otherwise.

The terminal bonus rate is unchanged at £0.75 per cent of the sum assured for each complete year except the first three, plus £0.50 per cent of the sum assured for each complete year in force at December 31, 1977, excluding the first three.

M. J. Gleeson warns on six months' profit

Results of M. J. Gleeson (Contractors) for the half-year to December 31, 1978, are unlikely to be as favourable as those for the previous year, Mr. J. P. Gleeson, chairman, told the annual meeting. In 1977, six month pre-tax profits were £679,000 (£686,000) on turnover of £25m (£26m).

Every effort will have to be made to achieve a better outcome for the second half, he added.

The order book remains satisfactory. But prospects for public works contracting in the UK are not very encouraging because of the acute work shortage in civil engineering and the erosion of margins resulting from keen price competitiveness for other central and local government contracts.

Therefore, Mr. Gleeson continues, the group must continue its penetration of other markets. To this end, the commercial, industrial and residential estate development programmes are being extended, and every endeavour is being made to obtain more work from the UK private sector.

The group will also develop its overseas activities by following up every enquiry emanating from the successfully completed cold store contracts in Cairo and Alexandria, and the similar package deals underway in Ismailia and the Seychelles.

Hardy cuts first-half losses to £240,000

FIRST-HALF losses before tax of Hardy and Co. (Furnishers) were reduced from £864,000 to £240,000. And the Board says although there is much still to be done they are confident the steady climb back to profitability will continue.

For the whole of last year the group incurred a pre-tax loss of £790,000, against a profit of £113,000.

In the 28 weeks to October 14, 1978, turnover rose from £15.99m to £19.95m. The pre-tax figure for the period was struck after profit on property disposals of £367,000 (£292,000). After tax credits of £170,000, against £472,000, the net loss is reduced from £392,000 to £70,000.

Again there is no interim dividend. A final of 0.2p net per 25p share was made last year.

The Board says the more profitable credit sales were slow to recover after last year's restrictions, but have improved in the second half.

They add that the loss before tax to October 15, 1977, contained a release from deferred profit provision of £2.43m while the release for the current half is down to £34,000, including associates.

● **comment**

Hardy is finding it difficult to recover the market share it lost in the first half of 1977-78 when it decided to temporarily subcontract its credit business. The decision enabled it to claw back £2.43m from deferred profits at a very vital time but, credit accounted for around half total turnover and the move was not without repercussions in its markets. In the latest interim, sales are up 25 per cent but around two-fifths of this can be attributed to price increases. The remaining "real" gain is probably not that far removed from the average for the sector which has benefited to a considerable extent from the upsurge in consumer spending. The loss for the period was well below the comparative period last year but the company is still hesitant on the timing of the return to profitability. The shares, at 40p, fully reflect its immediate prospects.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Arbuthnot Gvt. Sec. int.	6.25	Feb. 12	—	—	—
Bakers Stores (Leeds)	0.7	—	0.29*	1.0	0.56*
Guinness Peat .....int.	2.25	Mar. 23	2.13*	—	5.13*
Hardy & Co. .....int.	nil	—	nil	—	0.2
Hirst & Mallinson	1.0	Apr. 9	0.9	2.0	1.8
Ratcliffe Ind. .....int.	1	Mar. 16	1	—	5.25
Reabrook Inv. .....int.	0.56	Mar. 6	0.56	—	1.23
Scottish Utd. Inv.	1.23	Mar. 23	1.08*	1.88	1.6*
Second All'nce Tst. int.	2	Apr. 2	2	—	6.3
Stoddard .....int.	0.53	Apr. 6	0.52	—	1.33

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

Baker's Stores up to £0.42m

AN ADVANCE from £225,101 to £424,225 in pre-tax profit is reported by Baker's Household Stores (Leeds) for the year ended September 30, 1978. When announcing an increase from £136,389 to £218,797 at halfway the directors said that trading in the second half had continued at a satisfactory level.

The group operates self service stores in Yorkshire and North Nottinghamshire. Turnover increased to £3.25m compared with £2.51m for the previous 53 weeks. After tax of £19,095 (£12,416), the net profit came through at £405,130 against £212,685. Earnings per share are stated at 13.5p (7.09p). All comparisons have been restated.

The dividend is effectively increased from 0.56p to 1.0p net with a final of 0.703p.

Technology Inv. ahead

PRE-TAX revenue of the Technology Investment Trust advanced from £450,953 to £509,492 in the half year to November 30, 1978. The total taxable revenue for the whole of last year was a record £854,000.

Net asset value per 25p share is shown to have jumped from 129.75p to 140.37p.

The interim dividend, already announced is 1p net. The total payout last year was 2.6p.

£0.32m rise for Scottish United

PRE-TAX revenue of Scottish United Investors rose from £2.52m to £2.84m in the year to December 31, 1978. And based on a valuation of investments at the year-end, net assets available to ordinary shareholders were up from £73.81m to £86.67m. This is equivalent to 98p (83p) for each 25p share.

The final dividend of 1.225p net lifts the total from an equivalent 1.6p to 1.875p—a 17 per cent increase.

An increase in the authorised share capital and a one-for-four scrip are being proposed.

After tax of £1.06m (£1.02m) and a £67,200 preference dividend payment attributable profit comes out at £1.72m, against £1.43m. Stated earnings are up

Stoddard unchanged midway: home market more buoyant

WITH THE whole of the sales increase—from £9.88m to £11.77m—coming in the home market, taxable profits of Stoddard Holdings were at a virtual standstill at £426,000, against £410,000, in the half-year to November 30, 1978.

The chairman says that exports remained steady, but the home market was more buoyant than the previous year.

However, competition in the industry was severe and profit margins were low. Despite wide coverage of the traditional woven market in Axminster and plain Wilton, and a vigorous design and marketing policy, it has not been easy to increase the share of the highly competitive home market.

The pre-tax figure was struck after exchange losses of £91,000 (£92,000) and finance charges up from £169,000 to £223,000. Tax takes £222,000 (£213,000).

Stated earnings per 25p share are up slightly from 2.4p to 2.49p, and the interim dividend is raised from 0.524p to 0.532p net. Last year's total was 1.331p, from pre-tax profits of £695,000.

The chairman says his comments are made at a time when industrial unrest and consequent unemployment is at a peak. Export trade has been restricted as free access to the ports has been denied, and in addition, the winter has been unusually severe.

The closing months of the year are expected to return to average conditions, but trading over the past two months has been quite unusually difficult.

Shareholders will appreciate it is not possible to give any indication of the full year's trading results, adds the chairman.

Wight Construction

With effect from February 1, 1979, the present building and civil engineering divisions of Wight Construction will become separate operating companies under the title of Wight Building and Wight Civil Engineering respectively.

Each of the new companies will be a wholly-owned subsidiary of Wight Construction Holdings and will operate as an autonomous unit undertaking construction work in the UK.

Mr. A. Stewart has been appointed managing director of Wight Building, and Mr. A. Y. Mitchell has been appointed managing director of Wight Civil Engineering.

Ratcliffe declines to £71,000

TAXABLE profits of F. S. Ratcliffe Industries slipped from £114,783 to £71,361 in the half year to October 31, 1978. For the whole of last year the group turned in £202,000 before tax, of which the precision spring side made £127,000, and the painting contractors £74,000.

Sales for the half year were down from £847,544 to £805,144. Tax takes £38,000 (£60,000).

The interim dividend is held at 1p net per 25p share and earnings per share are shown down from 6.89p to 4.2p. Last year total payout was 5.25p.

Profits and new models in sight for motor side at Reliant

A RETURN to profits by the motor company and further progress overall are in view for the current year at Reliant Motor Group. The group has stabilised itself and, if unhindered by external industrial disputes, is in a position to take advantage of the considerable opportunities available, says Mr. J. F. Nash, the chairman.

Cash flow was improved considerably last year. Since then, despite repayment ofthe £0.9m outstanding balance of loans, the group has been operating comfortably within its general overdraft facilities he says. At the end of 1977/78 bank overdrafts were lower at £0.92m compared with £1.79m.

Providing this rise in liquidity can be maintained and matched by an advance in profitability during the current 12 months, the payment of a dividend next year, out of the engineering companies' profits, will be seriously considered, he adds.

Forecasting a recovery to profit by the motor company from last year's £153,000 pre-tax loss, Mr. Nash comments that it would be wrong to assume that the surplus would be as high as £0.5m. Margins are under pressure and this must eat into profits, he points out.

This company is seeking new export markets and development of new models is well advanced with prototypes currently under construction. Over the next three years more than £1m will be spent on modernising and improving its products and production facilities.

The loss by the motor side last time was after meeting redundancy costs totalling £603,000. The company is now being operated at a realistic level. Fixed and other costs are reasonably controlled and production in line with market requirements, the chairman reports.

As reported on December 29, the group, under a new management team, was turned round from a £416,000 pre-tax loss at midyear to finish the 12 months to September 30, 1978, with £108,000 profit, aginst £229,000.

Sales of the motor side reached £17.47m (£12.52m). For the engineering division, where turnover was up from £2.58m to £4.71m, the surplus rose from £214,000 to £261,000.

Following internal reorganisation at Smiths Forgings a serious stock discrepancy relating to earlier years, was discovered. This coupled with a sharp downturn in demand had placed the future of this subsidiary in jeopardy.

A substantial redundancy programme was completed at this company just before the end of 1977-78 and £38,000 loss was shown for the year. Recovery to breakeven is anticipated by early spring but no significant contribution to group results is expected for the current year, Mr. Nash states.

Press Operations also had a difficult year due to poor trading conditions. Its turnover was down and a £19,000 loss was recorded. However this company entered 1978-79 in a more buoyant position.

Meeting, Birmingham, on February 28, at 11 a.m.

BRITISH INV. TRUST

At an EGM called for February 28, British Investment Trust will propose that the authorised capital be increased from £19.6m to £22.1m by the creation of 10m ordinary shares of 25p.

The directors have no immediate proposals for the issue of any shares but they believe that opportunities will arise from time to time for utilising the unissued capital in connection with the acquisition of small investment companies or other assets. It is not the intention to take any steps which would cause the company to lose its status as an Authorised Investment Trust.

Coates Bros. (South Africa)

Turnover of Coates Brothers (South Africa) improved marginally from R14.3m to R14.8m in the year ended October 31, 1978 but pre-tax profits fell to R1.9m compared with R2.2m previously.

The moderate economic upturn has yet to filter through to the printing and packaging industry, says Mr. T. N. Chapman, chairman.

Other pressures developed with continually rising raw materials costs coupled with a change in the group's product mix.

During 1978, Coates acquired a 20 per cent interest in Howson-Algraphy Southern Africa, established to manufacture lithographic plates and chemicals locally. But though Howson-Algraphy should achieve a modest profit this year, this will fall well short of Coates' earnings from the previously held agency.

ICI CONVERSION

Imperial Chemical Industries announces that holders of 14,662 $1,000 6¾ per cent convertible guaranteed bonds due 1997 have to date exercised their right of conversion into ICI ordinary stock. The number of bonds outstanding is 85,338.

N. M. ROTHSCHILD

N. M. Rothschild and Sons announces that its merchant banking subsidiary in Singapore has changed its name from New Court Merchant Bankers to N. M. Rothschild and Sons.

MINING NEWS

New Australian coal moves

BY STEPHEN THOMPSON

AUSTRALIA'S diversified industrial group, **Howard Smith**, has gained control of the New South Wales Coal producer **R. W. Miller (Holdings)** through the purchase of **Ampol Petroleum's** 32.17 per cent stake for A$24.4m (£13.9m) reports our Sydney correspondent.

Smith already held 35 per cent which now gives a 67 per cent controlling interest. It means that the U.S. oil major, **Atlantic Richfield**, which less than twelve months ago agreed to pay A$28.25m for a 32 per cent interest, has now been relegated to a minority position.

The Miller reshuffle comes only one month after the company announced it was pulling out of the A$200m Oaky Creek coking coal project in Queensland. In mid-1977 Miller agreed to buy a 20 per cent stake in Oaky Creek from **Houston Oil and Minerals**, which is pressing ahead to bring a mine into production by the start of 1981, although no supply contracts have yet been obtained.

Miller pulled out because of claimed differences over the timing of Oaky Creek's development. However, it is believed that now Smith has control of Miller it is interested in renewing *talks with Houston*.

Smith will obtain A$15.75m of the purchase price through the placement of 3m shares to Japanese groups—2m to **UBE Industries** and 1m to **Nisho-Iwai**, at A$5.25 a share, almost $1 above Smith's market price.

The Miller deal significantly increases Smith's interests in coal. Last year Smith lifted a long standing investment in major NSW coal producer **Coal and Allied Industries** (CAIL) into a control position.

UBE is a large customer of CAIL and Nisho-Iwai imports the coal to Japan. Smith has agreed with UBE, Nisho-Iwai *and CAIL to investigate* the transport of coal and other joint shipping arrangements.

In another development in NSW coal the State Government has finally given approval to **British Petroleum** *to enter into* a joint venture with **Oakbridge** to develop a A$43m new coal mine at Clarence, NSW.

The companies have been awaiting approval for 15 *months. One of the main snags* was that it was to be on a 50-50 basis, which conflicted with State guidelines on foreign ownership. The venture will now go-ahead on the basis of 51 per *cent Oakbridge and 49 per cent* BP.

Cominco's 1978 profit

THANKS to a recovery in the final quarter, 1978 net earnings of the Canadian metals and mining group **Cominco** increased modestly to C$63m (£26.5m), or C$3.33 a share, compared with C$62.2m, or C$3.43 a share, in 1977.

The 1978 figure includes an extraordinary gain of C$2.2m from the sale of real estate and dock facilities in New Westminster. The lower earnings per share reflect increased dividend commitments following an additional issue of preferred shares.

However, on a more cheerful note Mr. M. N. Anderson, president of Cominco, says that zinc metal and concentrate sales were markedly improved and that during the last few months prices for lead and zinc increased substantially and had a material effect on fourth-quarter earnings.

Also, metal inventories were lower than at the *end of 1977*. The decline in the Canadian dollar had a beneficial effect of earnings from export sales while prices for silver and gold reached record levels in the fourth quarter.

Fertiliser and potash prices, while improved over 1977 levels, still do not provide a satisfactory return on capital invested. However, sales of potash, urea and ammonia were significantly greater than in the previous year, he added.

CONEX VENTURE WITH ANACONDA

Another Australian diamond prospecting deal is announced between a *mining major* and *one* of the small exploration companies. **Conex Australia**, which is headed by Mr. Dan Hill of **Geometals**, has entered into a joint venture agreement with **Anaconda Australia**.

The deal covers a total of 190 mineral claims in Western Australia's Kimberleys. Anaconda has earned an interest of 10 per cent in the venture and can increase this stake to 70 per cent by the expenditure on exploration work of A$1.15m (£650,000).

Conex also announces that *it has acquired a heavy media* separation plant with a capacity of 5 tonnes per hour. This is a mobile plant and it will be used to test the company's Van Emerick diamond prospect in the Kimberleys which is separate from the claims involved in the deal with Anaconda. A substantial stake in Conex is held by Geometals.

Sun Life Pensions in good position

The investment managers of **Sun Life Managed Pension Fund** adopted *a policy of building up* liquidity in the fund towards the end of 1978. They regarded the outlook for both the gilt and the equity market in the early months of 1979 and they considered that they are now in a good position to take advantage of movements in both markets.

When interest rates peak as expected sometime in the spring, they have the resources to act quickly without disturbing the existing portfolio. If companies come to the market for cash by means of rights issues, then they have flexibility to react.

The managers were reviewing the investment scene in general and the position of the fund in a meeting held yesterday with leading pension consultants.

*Mr. David Thomas, the invest*ment manager, reported that 1978 had been a relatively unexciting year for investment. The fund had progressed steadily over the year and its value at the year-end amounted to £60.5m. Almost half the portfolio—49 per *cent—was invested in gilts and* other fixed-interest stocks and 31 per cent in equities. He explained the reasons behind this investment policy based on the high yields obtainable on gilts.

The fund is managed by Sun Life Pensions Management, a member of the Sun Life Assurance Group. It offers investment management to pension funds through a mixed unities fund. Mr. Thomas pointed out that the managers endeavoured to invest in order to provide a real return on the contributions. So far they had received this aim over the period since inception in June, 1973, outperforming the rise in the Retail Price Ind

HOUSE OF GURKHAS

The **House of Gurkhas** has been ordered to be compulsorily wound up by Mr. Justice Vinelott in the High Court.

EUROPEAN OPTIONS EXCHANGE

Series		April Vol.	April Last	July Vol.	July Last	Oct. Vol.	Oct. Last	Stock
ABN	F.370	5	11.50	—	—	—	—	F.371
AKZ	F.27.50	15	3.90	—	—	—	—	F.30.20
AKZ	F.30	45	2	2	3.30	10	4.10	"
AKZ	F.32.50	110	1	10	1.90	—	—	"
AKZ	F.35	—	—	20	1.10	11	1.90	"
ARB	F.75.80	3	6.60	—	—	—	—	F.79.10
CSF	F.380	8	15.70	—	—	—	—	F.375
CSF	F.400	4	8.20	—	—	—	—	"
CSF	F.440	—	—	9	6.60	—	—	"
EK	$50	5	5	10	6⅜	3	8¼	$61¾
FNC	$25	—	—	1	1⅝	—	—	$24¼
GOB	F.140	—	—	7	13.90	—	—	F.147
GOB	F.160	—	—	11	5	9	3.20	"
HO	F.35	—	—	19	2.10	—	—	F.32.50
HO	F.40	—	—	1	0.80	—	—	"
IBM	$280	1	34½	—	—	—	—	$311
IBM	$320	2	9	1	17¼	—	—	"
KLM	F.120	54	2.20	59	5.80	6	9	F.110
KLM	F.130	13	0.80	10	2.70	3	4.40	"
KLM	F.140	—	—	—	—	8	3.10	"
KLM	F.150	—	—	37	1.10	—	—	"
KLM	F.170	—	—	31	0.50	—	—	"
NN	F.120	1	1.50	—	—	—	—	F.112.50
PHI	F.22.50	55	2.10	—	—	—	—	F.24
PHI	F.25	6	0.80	105	1.10	13	1.70	"
PHI	F.27.50	8	0.20	—	—	25	0.70	"
PRD	$60	6	1¼	—	—	—	—	$52¼
RD	F.120	—	—	—	—	7	12.20	F.128.20
RD	F.130	12	3.30	14	4.80	22	6	"
RD	F.140	55	0.70	15	1.50	—	—	"
T	$65	5	1	—	—	—	—	$63⅝
UNI	F.130	4	1.50	5	2.20	—	—	F.124.90
		Feb.		May		August		
BA	$80	14	1⅞	3	5⅛	—	—	$76⅞
OXY	$20	—	—	—	—	5	1⅛	$19
TOTAL VOLUME IN CONTRACTS						920		

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and mergers

The bids and deals sector continued to attract a great deal of attention with several new situations emerging, while discussions involving three separate possible mergers proved fruitless and were terminated.

Caledonian Holdings, the engineering, D-I-Y and jewellery group sold off by Stenhouse Holdings last month, received bid approaches from two separate sources just one day after the shares made their market debut. The primary bid, from consumer products group **London and Midland Industrials**, is on the basis of six shares of LMI for every seven shares of Caledonian and values the latter at £8.4m. The second approach, from an unnamed company, is for Caledonian's home improvement division.

U.S. metal processing group **Harsco Corporation** has made an agreed 25p per share cash offer for heating engineers **Dartmouth Investments** valuing the latter at £3.23m.

Electrical specialists **Crown House**, through its Lygon subsidiary, has made an agreed £1.9m offer for electrical equipment stockist **Best and May**. The terms are one Crown House share plus 16p cash for each share in Best and May.

Plantation concern **St. George Assets** has received an approach that "could materially affect the structure of the group," and discussions are in progress.

In the next stage of its $100m U.S. expansion programme, **Thomas Tilling**, the UK conglomerate with extensive interests in the building trade, has made an agreed $15m cash bid for electrical wholesaler **Summers Electric Company of Dallas, Texas**, while engineers and contractors **Babcock and Wilcox** has acquired, for an undisclosed agreed cash sum, asphalt pavers, **Allatt of Canada**.

On the other hand, **Camrex**, the anti-corrosion coatings concern, has abandoned its plans for a full-scale bid for **Dufay Bitumastic** because the latter's board refused to recommend the 50p per share cash offer, while *Attock Petroleum and unlisted* public company **Cambridge Petroleum Resources** have terminated talks after failing to agree merger terms; the news came more than three months after Attock announced that it had reached agreement in principle to acquire Cambridge.

Talks between meat trader **J. E. Sanger** *and an unnamed* suitor ended in failure nearly two months after Sanger announced that it was a possible takeover candidate.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder	Final Acc't'ce date
Prices in pence unless otherwise indicated.						
Alginate	385*	374	309††	21.01	Merck	6/2
Anglo-Swiss‖‖	54†	55	29††	1.40	*Armstrong Eq.*	—
Best and May	83§§	84	65††	1.9	Crown House	—
Caledonian Hldgs.	84	83	72	8.4	London and Midland Inds.	—
Chamberlain Grp.	65*§	62	45	7.87	Brown & Sharpe	—
City Hotels	196§§	191	128††	5.88	Comfort Intl.	8/2
Dartmouth Invs.	25*	24	19½	3.2	Harsco Corp.	—
Dufay	50*§	47	38	3.90	Camrex	—
English Property	44*§	42	44½	30.6	Eagle Star	—
English Property	46*	42	36½	43.95	Wereldhave	5/2
Guthrie	425*	429	345	123.1	*Sime Darby*	16/2
Jhnsn.-Richards Tiles	135§§	132	109	29.5	Norcros	—
Keal & Scott	10*	28	13	0.04	Mr. Mostyn Levein	—
Moss Engineering	75‡	81	72	3.48	GEI Intl.	—
Peerage of Birmingham	68§§	66	54††	2.24	Ferguson Industl. Holdings	12/2
Sabah Timber	80½§§	79	34	13.95	Harrisons & Crosfield	—
Westinghse. Brake	95†	89	62	40.5	Hwkr. Siddly.	—

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. ‖ Date on which scheme is expected to become operative. ** Based on 1/2/79. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Based on 2/2/79. ‖‖ Bid unconditional.

Rights Issue

Burco Dean: One-for-three at 60p.

Scrip Issues

Lonsdale Universal: One-for-four.

Trust Houses Forte: One-for-one.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
A. C. E. Machy	Sept.	299	(321)	9.2	(10.1)	3.83‡	(3.383)
Aaronson Bros.	Sept.	*3,468*	*(2,839)*	*13.3*	(11.7)	3.5	(1.97)
Abbey Panels	Sept.	390	(434)	3.9	(10.1)	2.68	(2.64)
BAT Inds.	Sept.	433,000	(416,000)	65.2	(70.2)	14.52	(13.01)
Bertrams	Oct.	67	(240)L	1.6	(—)	Nil	(Nil)
Blundell-Prmglze.	Oct.	1,780	(1,132)	14.9	(10.3)	3.22	(2.89)
Delyn	Oct.	91	(26)	3.1	(3.7)	—	(—)
Glass Glover	Sept.	481	(433)	3.8	(3.6)	1.37	(1.23)
IDC Group	Oct.	1,124	(426)	26.3	(8.6)	10.0	(8.98)
Lonrho	Sept.	93,600	(90,200)	24.3	(27.0)	6.65	(6.55)
Lonsdale Univ.	Sept.	1,618	(1,245)	17.3	(13.9)	5.17	(4.63)
Prestige Group	Sept.	6,850	(6,252)	20.8	(19.0)	6.24	(5.58)
Trust Hses. Forte	Oct.	55,500	(38,000)	31.4	(24.4)	10.63	(8.21)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Armour Trust	Oct.	217	(154)	Nil	(Nil)
Brengreen Hldgs.	Oct.	124	(—)	0.1	(—)
Christie-Tyler	Oct.	1,520	(111)	1.8	(1.6)
Cntry. & Nw. Twn.	July	293	(253)	0.2	(0.2)
Decca	Sept.	2,463	(5,224)	3.3	(3.3)
Garford-Lilley	Sept.	193	(175)	0.17	(0.17)
Grimshawe Hldgs.	Oct.	104	(53)	—	(—)
Longton Trnsprt.	Sept.	824	(628)	1.25	(1.1)
McKay Secs.	Sept.	301	(193)	0.35	(0.26)
Midland Trust	Dec.	164	(143)	2.01	(1.32)
Newmark (Louis)	Sept.	983	(916)	3.0	(2.5)
Reed Intl.	Dec.†	63,100	(58,300)	—	(—)
Rosgill	Dec.	720	(202)	0.75	(Nil)
Smmrville. (Wm.)	Nov.	189	(157)	0.55	(0.5)
Steinberg Group	Sept.	260	(243)	0.32	(0.32)
Stewart Plastics	Oct.	930	(748)	1.28	(1.14)
Syltone	Sept.	701	(512)	1.57	(1.4)
Wholesale Fttngs.	Oct.	847	(647)	2.23	(2.03)

(Figures in parentheses are for corresponding period.)
Dividends shown net except where otherwise stated.
* Adjusted for any intervening scrip issue. † Nine months' figures. ‡ Including special dividend due to change in tax rate. L Loss.

BIDS AND DEALS

Reed may redeem all, or part, of Canadian debentures

In the face of speculative activity in debenture stocks of **Reed Paper** on the Toronto Market, **Reed International** announced that it might redeem all or part of them.

The movement—which saw the market value rocket in the C$115m-worth of debentures in Reed Limited, Reed Paper's main subsidiary—followed news *on Thursday that Reed had sold* its linerboard interests in Canada for £11.3m.

In view of the negotiations Reed is undertaking with the intention of pulling out of Canada, a speculative market developed.

Reed discussed the activity with the Securities Commission and following that issued the statement saying that "it is considering redeeming all or part of the debentures of Reed Limited."

The company was careful to say that it had not yet finally determined *its course of action* but if the debentures were redeemed the money thus released would be used "as a step in solving some of the company's structural problems, such as debt."

G. R. FRANCIS SUSPENDED

Heating and *plumbing* merchant **G. R. Francis Group** yesterday asked for its shares to be suspended on the Stock Market pending an announcement. The suspension price of the shares was 64p which valued the group at £1.3m.

The major outside shareholder is the Schlesinger Extra Income Fund, which holds 7.12 per cent of the equity.

SABAH TIMBER

The Scheme of Arrangement whereby **Sabah Timber** becomes a wholly owned subsidiary of **Harrisons and Crosfield** has been sanctioned by the High Court and become effective.

Listing for the new H and C ordinary shares has been granted and *dealings will commence on* February 5.

LONRHO/FRASER

Lonrho has completed the pur*chase of the third tranche of* **House of Fraser** shares which it arranged to buy from the Carter Hawley Hale group on September 29, 1977.

The deal allowed for the purchase by Lonrho of 23.55m shares for £41.2m. Lonrho had to buy one third of the shares in October 1977 and a further third on July 31, 1978. The third tranche of a sixth was bought on January 29 1979 and the last one *sixth will be purchased in April.*

BPM MOVES INTO GREETING CARDS

BPM HOLDINGS, the Midlands newspaper group, has paid £1.05m for a 75 per cent stake in **Supercards**, a 46 shop chain retailing greeting cards, costume jewellery and giftwares through the north west *of England and North* Wales.

Supercard's net tangible assets are approximately £700,000 and net profit for the year to February 3, 1979, is forecast in the range £280,000 to £320,000 on a nil or low tax charge.

BPM is funding the acquisition from existing sources and has almost the full amount currently on deposit. Mr. G. Battman, a mainboard director, said yesterday the acquisition was part of a plan to diversify into countercyclical activities.

"The board has decided, how*ever, that our main business is* still operating provincial newspapers," he said.

According to BPM the Supercard business has considerable affinity with that of its existing T. Dillon and Co. news agency chain. There are no plans to introduce new agency operations into the Supercard shops, however.

AGB RESEARCH

The UK's only quoted public opinion research group, **AGB Research**, is to expand into Holland. It is buying a private consumer panel group owned by Mr. Bedford Attwood which has branches in both the UK and Holland.

CENTURY OILS

The New South Wales based **Victory Lubricants PTY.** has merged with **Century Oils Group**. Both companies are specialists in their respective markets and the link-up will provide Australian industry with the back-up product technology of Century plus the expertise of Victory in the general industrial, mining, hygiene, agricultural, automotive and general lubrication fields.

MONTAGUE MEYER £1M TAKEOVER

Montague L. Meyer, the timber importer and builders' merchant, is paying £1m for the assets of North Wales-based **Gwynedd Building Supplies**.

The purchase will be satisfied by 705,882 ordinary shares and £400,000 in cash.

Gwynedd, which recently acquired a separate business in Bangor, has depots at Pwllheli and Penrhyndeudraeth and will be merged with Meyer's timber depot at Pwllheli.

Revaluation is in progress but Gwynedd's combined assets are worth roughly £600,000. Meyer *is looking for pre-tax profits of* around £200,000 in a full year.

NU-SWIFT IN HOLLAND

Nu-Swift Industries has acquired for £211,275 from a Dutch subsidiary of the Chubb Group, the capital F Mark-Ten BV of Arnhem, Holland.

In year to March 1978, Mark-Ten had a turnover equivalent to £525,000 and earned profits of £65,000. Trading for the current year is in a similar vein

Mark-Ten has been a main concessionaire in Holland for several years. It will continue to be the main vehicle for the marketing of Nu-Swift products in Holland but will also be used to broaden, strengthen and increase the group's activities there.

EDMUNDSON ELECTRICAL

The 1977 profits of **Edmundson Electrical**, the Charterhouse subsidiary to be sold to Consolidated Electrical Distributors, were £660,000, not £6.5m as stated yesterday. The purchase price is £6.5m and the takeover is not to be referred to the Monopolies Commission.

SELECTED RISK

Shares of **Selected Risk Investments**, the financial trust, were suspended on the Stock Exchange at the company's request at £4.50. An announcement is expected.

Geo. Wills to pay extra 53%

IN A cash and shares deal **George Wills and Sons (Holdings)**, the importer and exporter, has agreed to acquire the capital of **Jack Kleeman (Merchants)**, a toy and fancy goods importer and distributor. Under the deal Wills has obtained Treasury permission for a 53 per cent dividend increase.

The consideration is expected to be in the region of £550,000, and will be brought into line with the net tangible assets of Kleeman at December 31, 1978, when these have been audited and adjusted to take into account deferred taxation.

A cash sum of £300,000 was paid yesterday. And the balance of the consideration will be satisfied by the issue of 500,000 ordinary shares of 25p each in Wills.

Taxable profits of Kleeman for the year ending June 30, 1978, were £103,000, while net tangible assets amounted to £546,486.

As a result of the placing of the new shares Wills has been allowed by the Treasury to increase the dividend by over 53 per cent. For the year 1978 Wills will pay 3.35p per share net, *compared with 1.55p net in* the previous year.

ESTATES AND GENERAL

Estates and General Investments has completed the sale of the Suncliff Hotel, Bournemouth, at a price of £350,000. The net proceeds approximate to the balance sheet value of the Hotel.

The sale means that the group is no longer involved in hotel trading and is in accordance with the Board's stated policy.

ECSC BACKING FOR JAKA FOODS

The European Coal and Steel Community is to lend £270,000 to the UK subsidiary of a Danish company. *The Industrial and Commercial Finance Corporation*, which arranged this loan to **Jaka Foods Group**, is also lending £170,000.

Jaka previously imported all of its meat products to the UK from its parent company in Denmark. It is now having a purpose-built factory constructed on Merseyside to process and pack its cooked meat products. The total cost of the new factory will be £617,000. The new project is expected to create a minimum of 60 jobs.

SHARE STAKES

T. Cowie—T. Cowie on October 5, 1977, sold 25,000 shares at 38p, on October 17 sold 5,000 at 36½p, and on November 17 he bought 100,000 shares at 33⅞p. On March 11, 1978, he transferred 5,675 shares, and on July 12 transferred 5,753 shares. On *August 9, 1978, he sold 100,000* shares at 47½p and on January 13, 1979, bought 50,000 shares at 43½p.

Stanhope General Investment—General Investors and Trustees has acquired further 17,400 shares making holding 95,000 (7.42 per cent).

Martin-Black—J. A. Kennedy, director, is interested in 77,520

Caravans International — S. Alper, director, has sold 60,000 shares for £39,900.

Breedon and Cloud Hill Lime Works—On January 29 Ferguson *Industrial Holdings* acquired a further 5,000 shares bringing total to 234,300 (5.8 per cent).

Apex Properties — Scottish Amicable Life Assurance Society has reduced holding from 5 per cent to 2.785 per cent, represented by 300,000 ordinary shares.

Fitzroy Investment Company—J. B. Hayes has exercised option given to *him by his fellow* directors, when he became an executive director, and has acquired 62,000 shares from 62,000 shares from PCYP m wW G. C. Thompson and 24,000 from P. R. Walker. He also disposed of 35,000 of his own.

London and Northern Group—W. C. Sproson, director, has bought 50,000 shares.

Blundel-Permoglaze Holdings—Britanic Assurance Company has acquired further shares which brings total holding to 650,000 (10.205 per cent).

David Dixon and Son (Holdings)—Directors hold shares as follows: — H. Turpin 219,375 (12.08 per cent); M. W. B. Hunt 8,750 (0.48 per cent); F. Bartlett 10,250 (0.56 per cent).

Ranks Hovis McDougall—A trust of which J. Rank and J. D. Hutchison, directors, are co-*trustees* sold 250,000 shares at 47p on January 26 and 176,980 at 46½p on January 29. No beneficial or family interest accrued to either as a result of these sales.

Lynton Holdings—M. Lambert, chairman, has sold 100,000 shares and various trusts of which he is a trustee have sold 50,000.

Heron Motor Group—As a result of recent conversion of loan stocks into shares, following directors now have additional shareholdings: P. S. Reynolds 179,889 shares, J. Leppard 7,470, J. D. Mortimer 8,300, G. M. Ronson 115,951 shares.

AGB Research—Dr. S. F. Buck, director, disposed of 3,000 shares on January 30. Confederation of Life Assurance has disposed of 30,000, reducing holding to 525,000 (about 4.8 per cent).

S. and W. Berisford—E. S. Margulies, director, has sold 10,000 shares at 174p.

John I. Jacobs—London Trust has sold 100,000 shares, reducing holding to 1.1m (4.8 per cent).

Intereuropean Property Holdings — S. Margolis, director, bought 20,000 shares on *January 16*.

Sime Darby arranges another loan facility

Sime Darby Holdings caused some confusion in the stock market yesterday by announcing that it had arranged yet another loan facility.

Shares of Guthrie Corporation, for which Sime is bidding £121m, rose at first on the news that Sime has arranged a $164.9m loan facility from a consortium organised by Kleinwort Benson, Sime's merchant bank.

But spokesmen for Sime in Kuala Lumpur and London denied that the loan would provide additional finance for a higher offer. At the end of the day, Guthrie shares were unchanged at 436p.

Sime says that the new loan has been arranged only to facilitate the orderly transfer and funds from Malaysia. The new facility and the $50m facility from the Union Bank of Switzerland announced in January amount to $215m. This is just below the £121m cash needed for the bid at the existing level.

Last summer, Sime arranged a ringgit 475m (£110m) loan facility of which ringgit 400m has not been drawn. *But Sime claims* that these three loans should not be added together to calculate the money available for the Guthrie bid. The new loan should be regarded as a "mirror" loan, says the company.

The new facility came to light in a circular Sime has sent to its own shareholders convening a meeting on February 19 to approve the Guthrie bid.

WORLD STOCK MARKETS

Wall St. retreats on Iran crisis

INVESTMENT DOLLAR PREMIUM
$2.60 to £1—96¾% (95½%)
Effective $1.9800 49¾% (48%)

STOCKS RETREATED in slow trading on Wall Street yesterday, when traders took profits on the gains scored in January following the continuing political confrontation in Iran and the implication for rising oil prices.

The Dow Jones Industrial Average gave way 6.24 to 834.63, making a fall of 25.12 on the week, while the NYSE All Common Index, at $55.79, shed 21 cents on the day and $1.20 on the week. Declines led advances by 725-to-659, while the trading volume further decreased 2.58m shares to 25.35m.

Except for some early firmness, the Stock Market ignored a big drop in the Money Supply and a cut in the Prime Rate by First Pennsylvania Bank to 11½ per cent from 11¾ per cent.

In the news, the Labour Department reported that the nation's jobless rate in January dipped to 5.8 per cent of the work force from 5.9 per cent in December.

The dollar finished about unchanged.

Volume leader **Carrier** lost $¾ to $26⅞. **United Technologies**, off $½ to $39½, plans to buy Carrier shares in the open market.

Mission Insurance dropped $5 to $32¾—**American International Group**, off $½ to $51½ bid, withdrew its offer to pay $39 apiece for Mission shares.

McGraw-Hill regained $1¼ to $30—it rejected a sweetened $40 a share merger proposal from **American Express**, off $¾ to $29¾.

Sterndent rose $1¼ to $24¾—**Cooper Laboratories** $26 a share bid. **Cooper** slipped $¾ to $21½.

Uniroyal declined $¾ to $7¼—**Gulf and Western Industries** purchased about 6.1 per cent of Uniroyal's Common for investment purposes.

The American SE Market Value Index rose 0.47 to 159.25, reducing its loss on the week to 3.10.

Canada Markets were mostly easier yesterday, although the Gold Share Index shot up 47.7 to 1544.6.

The Toronto Composite Index shed 1.1 to 1349.6, Metals and Minerals 5.3 to 1203.4, Utilities 0.55 to 196.25, Banks 0.67 to 316.97 and Papers 0.31 to 157.27. Oils firmed 1.1 to 1853.2.

Slater Steel rose $⅛ to $14¾ on higher third quarter net earnings, while **Great-West Life Assurance** put on $1½ to $102 on improved year results and a raised dividend.

TOKYO. Lower on profit-taking and liquidations. Volume 350m (600m) shares.

Chemicals, Textiles, Constructions, Oils, Coal Mines and some "big-capital" issues lower.

Toyo Kogyo rose Y5 on reports it would increase capital and dividend.

Some Foods and Pharmaceuticals also rose.

JOHANNESBURG — Gold shares mostly softer in line with bullion indications. Mining Financials mixed.

Coppers also mixed, as were Platinums. Tins firmer.

Industrials quietly steady.

AUSTRALIA—A late run on Resources stocks brought markets to a stronger close.

Base Metals, some situation stocks and Oils rose.

Coppers held up in wake of copper prices rising to a 29-month high in London.

PARIS—Generally firmer on some Institutional support

Properties, Investments, Foods, Constructions, Stores, Electricals and Oils all gained ground, Banks, Rubbers and Engineerings steady.

Hotels mixed, Steels slightly lower.

Peugeot Citreon rose FFrs 6 to 413 on its forecast of higher 1978 profits.

U.S. stocks, Golds and Oils steady. Coppers mixed, Dutch and German issues weaker.

AMSTERDAM — Mixed to lower, with **Philips** firm in otherwise easier Dutch Internationals.

KLM lost Fl 4 on its third quarter loss.

State Loans mainly slightly higher.

GERMANY. Narrowly mixed, with Banks generally weaker, while Electricals and Industrials registered isolated gains.

FRIDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Carrier	647,500	26⅞	−¾
MCGraw-Hill	457,600	30	+1
Gardner - Denver	303,300	30½	−⅛
Boeing	265,400	76⅞	−½
Firestone Tire	259,900	12⅞	−¼
ICN Pharm	215,100	6⅞	+⅛
Mc Der. Pr. 'B'	213,100	30½	+¼
Sears Roebuck	205,200	20⅞	−⅛
Exxon	205 000	51	−⅛
Saxon Indls.	204,900	5⅛	—

Indices

NEW YORK —DOW JONES

	Feb. 2	Feb. 1	Jan. 31	Jan. 30	Jan. 29	Jan. 26	1978-79 High	1978-79 Low	Since Compil'tn High	Since Compil'tn Low
◆ Industr'ls	834.63	840.87	859.22	851.78	855.77	859.75	907.74 (8/9)	742.12 (28/2)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me B'nds	85.90	85.51	85.41	85.16	85.24	85.04	90.88 (4/1/78)	84.09 (16/1/79)	—	—
Transport.	215.45	214.51	214.55	215.89	217.91	218.74	261.49 (7/9)	199.31 (9/1/78)	279.88 (7/2/69)	12.23 (8/7/32)
Utilities	104.26	104.55	104.91	104.67	104.50	104.08	110.98 (5/1)	97.75 (20/12)	163.32 (20/4/69)	10.58 (28/4/42)
Trading vol 000's†	25,350	27,850	30,350	26,910	24,240	34,230	—	—	—	—

◆ Day's high 843.38 low 832.47

	Jan. 26	Jan. 19	Jan. 12	Year ago (approx)
Ind. div. yield %	5.66	5.81	5.80	6.02

STANDARD AND POORS

	Feb. 2	Feb. 1	Jan. 31	Jan. 30	Jan. 29	Jan. 26	1978-79 High	1978-79 Low	Since C'mpil't'n High	Since C'mpil't'n Low
‡Indust'ls	110.81	111.40	111.32	112.70	115.29	115.64	118.71 (12/9)	95.52 (6/3)	154.64 (11/1/73)	3.55 (30/6/32)
§Composite	99.50	99.95	99.95	101.05	101.55	101.88	106.99 (12/9)	86.90 (6/3)	125.85 (11/1/65)	4.40 (1/6/32)

	Jan. 31	Jan. 24	Jan. 17	Year ago (approx).
Ind. div. yield %	4.99	4.98	4.97	[illegible]
Ind. P/E Ratio	9.05	9.05	9.01	8.89
Long Gov. Bond Yield	8.84	8.91	8.97	8.16

N.Y.S.E. ALL COMMON

Feb. 2	Feb. 1	Jan. 31	Jan. 30	1978-79 High	1978-79 Low
55.79	56.00	55.99	56.60	60.38 (11/9)	48.37 (6/3)

Rises and Falls

	Feb. 2	Feb. 1	Jan. 31
Issues Traded	1,830	1,849	1 878
Rises	659	625	466
Falls	725	775	1,033
Unchanged	446	449	379
New Highs	—	18	17
New Lows	—	15	7

MONTREAL

	Feb. 2	Feb. 1	Jan. 31	Jan. 30	1978-79 High	1978-79 Low
Industrial	226.95	227.62	228.58	230.39	232.44 (23/1/79)	152.90 [illegible]
Combined	231.12	231.76	233.21	235.35	237.03 (29/1/79)	170.62 [illegible]
TORONTO Composite	1349.6	1350.7	1365.9	1372.6	1382.4 (29/1/79)	998.2 [illegible]
JOHANNESBURG Gold	269.1	268.8	270.2	272.5	273.3 (29/1/79)	186.0 [illegible]
JOHANNESBURG Industrial	302.6	300.5	1365.9	300.7	308.8 (29/1/79)	194.8 [illegible]

	Feb. 2	Previous	1978-9 High	1978-9 Low
Australia(¶)	577.21	578.01	577.21 (2/2/79)	411.19 (1/3)
Belgium (‖)	104.41	105.88	104.41 (2/2/79)	90.43 (23/6)
Denmark(**)	92.80	92.47	98.90 (14/6)	88.08 (30/10)
France (††)	76.6	76.8	85.0 (4/10)	47.6 (6/2)
Germany(‡‡)	813.30	813.5	863.3 (19/10)	766.4 (17/6)
Holland (§§)	84.3	84.6	93.1 (11/9)	76.0 (4/4)
Hong Kong (¶¶)	564.94	549.45	707.70 (4/9)	383.4 (13/4)
Italy (‖‖)	73.05	73.07	82.35 (25/9)	55.46 (10/1)
Japan (a)	460.43	461.50	460.97 (31/1/79)	364.04 (4/1)
Singapore(b)	372.12	372.96	414.00 (8/9)	282.0 (9/1)

	Feb. 2	Previous	1978-9 High	1978-9 Low
Spain (d)	95.36	95.68	92.79 (2/1/79)	93.03 (12/1/79)
Sweden (e)	394.34	391.96	405.00 (4/2)	325.74 (3/1)
Switzerld(f)	318.2	316.1	323.7 (14/2)	281.6 (25/9)

Indices and base dates (all base values 100 except NYSE All Common—50; Standards and Poors—10; and Toronto 300—1,000; the last named based on 1975). † Excluding bonds. ‡ 400 Industrials. § 400 Industrials, 40 Utilities, 40 Finance and 20 Transport. ¶ Sydney All Ordinary. ‖ Belgian SE 31/12/63. ** Copenhagen SE 1/1/73. †† Paris Bourse 1961. ‡‡ Commerzbank Dec. 1953. §§ Amsterdam Industrial 1970. ¶¶ Hang Seng Bank 31/7/64. ‖‖ Banca Commerciale Italiana 1972. a Tokyo New SE 4/1/68. b Straits Times 1966. c Closed. d Madrid SE 29/12/78. e Stockholm Industrial 1/1/58. f Swiss Bank Corporation. u Unavailable.

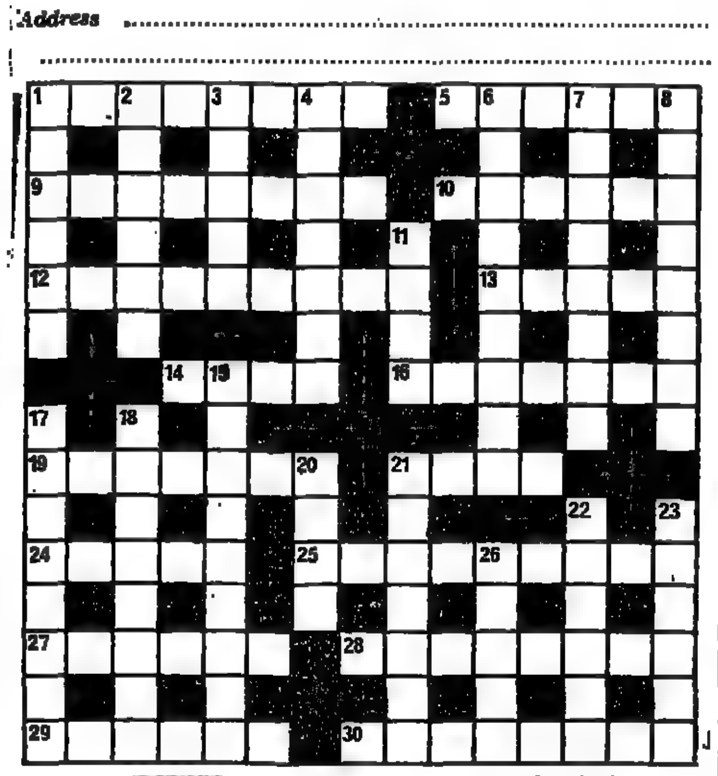
F.T. CROSSWORD PUZZLE No. 3,888

A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....



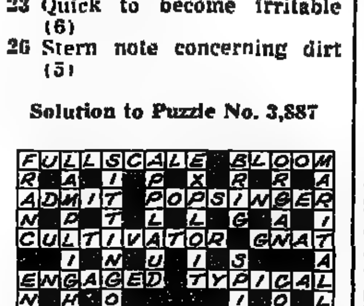
ACROSS

1 Refuse to recognise 11 going cheap (3,5)
5 Demonstrator in the rain (6)
9 Right advice to electorate? (4,4)
10 Incentive to produce vegetable (6)
12 Writing circle joined by factory worker (9)
13 Sergeant-major everybody calls Tiny (5)
14 Came some other way to highest point (4)
16 Rigorous work-out for boxer with Brown (7)
19 Exciting to back alternative employment (7)
21 Unwilling to take chance with hydrogen (4)
24 A lot of papers report sound of singers (5)
25 Wise place for putting colour (4,5)
27 Hard water expert came in drunk (6)
28 Improve shine on horseback (6,2)
29 Relation inwardly in charge (6)
30 Was the basis of what could be felt below carpet (8)

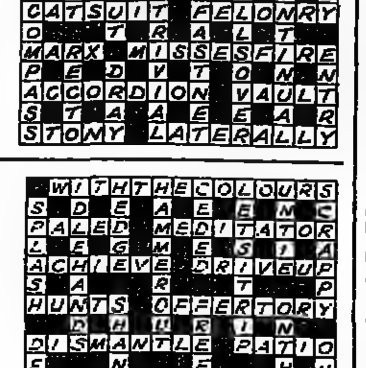
DOWN

1 Look out—the Navy is hollow below (6)
2 Sums for baby to eat in the evening (4,2)
3 Valued trade incorrectly (5)
4 Body dealing with motoring prosecution (7)
6 Small initial advantage made boss jump (4,5)
7 Guarantee hostilities with tirade before end of May (8)
8 Remarkably sound from being shaken (8)
11 Nothing with divines to have the balance of advantage (4)
15 Wrong hand signal puts heavy burden on police (5,4)
17 Call it a day when shouting stops (3,5)
18 Occupation to provide public transport to one Scots loch (8)
20 Heart of the matter for soldier over the way (4)
21 Chicken giving member some of the brass (7)
22 Permit Henry to be capable of killing (6)
23 Quick to become irritable (6)
26 Stern note concerning dirt (5)

Solution to Puzzle No. 3,887



SOLUTION AND WINNERS OF PUZZLE No. 3,882



Following are the winners of last Saturday's prize puzzle:

Ms. L. Bromwich, 16, Bellevue Court, Bellevue Gardens, Brighton BN2 2AN.

Mr. J. C. R. Downing, The Cottage, 34, Esplanade Avenue, Porthcawl, Mid-Glamorgan.

Mr. D. V. Jackson, Langford Lodge, The Common, Southwold.

RACING BY DOMINIC WIGAN

Blue Maid has right Sandown credentials

BLUE MAID from John Thorne's small but highly successful Bridgewater stables seems to have the right credentials necessary to lift today's Stone's Ginger Wine Chase at Sandown.

A fast improving seven-year-old, who, when confronted by testing conditions, is in her element. Blue Maid shoulders the featherweight of 10 stone which brought Parkhouse victory a year ago.

The conqueror of Kas from whom she was receiving 4 lb in an Embassy qualifier at Lingfield on December 9 (where she would have obliged more easily but for a couple of mistakes) Blue Maid showed to even better advantage at Taunton two and a half weeks later. Left in a clear lead at the 14th in St. John's Day Trophy after the departure of Yes Yes Yes, Blue Maid went on to prove too strong for Grangewood Girl, beating that mare by 20 lengths.

Although in receipt of the best part of two stones from the runner-up, Blue Maid could do no more than win as she pleased and I doubt if many racegoers leaving the course at the end of the day would have anticipated a different outcome had the pair met on level terms.

In taking Blue Maid to complete the hat trick and become the first seven-year-old to win the Stone's in the race's 18-year history, I anticipate Another Dolly providing the chief threat. John Burke's mount, bidding to give Fred Rimell his first success in the Stone's ran a highly encouraging race when backward to finish third, beaten five lengths and three lengths, by Bawnogues and Shermoon at Stratford.

In addition to the principal chase there are fine supporting events in the Scilly Isles Novices Chase and the Oteley Hurdle.

Both could prove highly informative.

Dramatist, my idea of a stand-out bet for the Festival meeting at this time, declines another tilt at Night Nurse in the Scilly Isles Chase. The duo champion hurdler, however, may not have matters all his own way for the fast-improving Gaffer, in receipt of 5lb, takes him on.

SANDOWN
1.00—Jerson
1.30—Accelerate***
2.00—Son and Heir
2.30—Blue Maid*
3.00—Night Nurse
3.30—Silversmith**
4.00—Flying Waiter

Sea Pigeon, arguably the most multi-talented racehorse in Europe, will again be a popular choice for the Oteley Hurdle which he won a year ago under 11 st 12 lb. Now shouldering 4 lb more he seems sure to go well without, perhaps, being quite good enough to concede 12 lb to Silversmith, an underrated six-year-old in his element on an easy surface. Accelerate, owned and trained by Nicky Henderson, looks a good prospect for the Spring Hurdle in which Albion Prince, a winner on the corresponding card 12 months ago, will be bidding to underline his Schweppes chance.

Drawer is copy —Lords ruling

THE House of Lords yesterday restored a judgment that Swish Products Ltd. had copied a thermoplastic drawer designed by L.B. (Plastics) and had infringed copywright of drawings.

The ruling reversed the finding of the Court of Appeal, that there had been no copying, and restored an injunction restraining Swish Products from manufacturing and marketing a drawer based on the design.

Swith Products was ordered to hand over to L.B. (Plastics) existing stocks and the tools used to make the drawer, or destroy them.

SPAIN ♥

February 2	Per cent	
Asland	114	−2
Banco Bilbao	[illegible]	—
Banco Central	285	+4
Banco Exterior	254	+2
B. Granada (1,000)	[illegible]	—
Banco Hispano	230	—
B. Ind. Cat. (1,000)	161	—
B. Ind. Mediterraneo	183	—
Banco Madrid	[illegible]	—
Petrolsos	147	−1
Sniace	40	+1
Sogofisa	125	—
Telefonica	70	+0.25
Union Elec.	56.25	−1.75

BRAZIL

NEW YORK · CANADA · GERMANY · PARIS · AUSTRALIA · TOKYO · BRUSSELS/LUXEMBOURG · STOCKHOLM · VIENNA · JOHANNESBURG · AMSTERDAM · COPENHAGEN · SWITZERLAND · MILAN · OSLO

Securities Rand $U.S.0.67¾ (Discount of 41.7%)

INTERNATIONAL COMPANIES and FINANCE

$25m offer for ailing Swiss bank

By Our Financial Staff

ONE OF Switzerland's major regional banks is to be taken over by the Swiss Bank Corporation in a deal worth around $25.5m.

The regional bank, the Handwerkerbank based in Basle, has been in serious difficulties for some time having incurred losses on a leasing venture and run up bad debts on property investment.

Handwerkerbank's results for 1978 have yet to be published but the bank has already admitted the need to draw on its open reserves to the tune of SwFr 10m ($5.9m) during the year. Total assets are put at SwFr 800m—a figure that compares with the last published SwFr 58bn for Swiss Bank Corporation, which is one of the Swiss "big three."

SBC is offering to buy out the Handwerkerbank's nominal capital of SwFr 30m for about SwFr 730 a share. It is prepared to put up two participation certificates (non-voting shares) plus SwFr 40 in cash per Handwerkerbank share.

The bid follows a request by the Handwerkerbank board that SBC should consider the possibility of an acquisition. Last year Handwerkerbank, the biggest local bank in urban Basle, was granted a SwFr 15m loan by SBC.

A statement issued by Handwerkerbank in Basle indicated that no dividend payment would be possible over a period of several years and that there were no longer any significant reserves available.

● Net profits of Guyerzeller Zurmont Bank AG, fell by 10.7 per cent last year to SwFr 4.83m. Despite this decline, the board recommends distribution of an unchanged dividend of SwFr 260 per share, with SwFr 2.5m to be transferred to reserves.

Massey-Ferguson negotiating sale of shareholding in Spanish motor group

BY DAVID GARDNER IN BARCELONA

MOTOR IBERICA, the Barcelona-based truck and tractor manufacturer is undergoing an important reappraisal of its ownership which could make it the only Spanish-owned company in the fast growing automotive sector.

The troubled Canadian multinational, Massey - Ferguson, which last year reported losses of $257m and which owns 36.2 per cent of the Motor Iberica equity, is anxious to sell its shareholding. Motor Iberica has approached INI, the state holding company, with a view to INI taking over the Massey stake.

Massey-Ferguson is already planning the sale of part of its UK-based subsidiary, Perkins Engines, the largest maker of diesel engines in Europe. According to banking sources, Massey has been seeking a buyer for its motor Iberica equity for the past six weeks. The shareholding has a stock market value of $49.5m. Massey would still receive royalty payments if Motor Iberica continued to use its foreign sales network.

Such a disposal would be heavily against the trend in the Spanish motor industry, where the multi-nationals heavily predominate. However, the possibility of the deal is being taken seriously. Combined with the sale of a minority holding in Perkins Engines, such a move would undoubtedly ease Massey's balance sheet pressures. The Canadian company has recently extracted a commitment from longer-term lenders allowing its debt covenants to be eased significantly.

Motor Iberica claims an annual production capacity of 35,000 tractors, 45,000 vans and trucks, and 125,000 motors, in addition to agricultural, construction and aircraft machinery. In money terms it has tripled its turnover and doubled its profits in the last four years. It sold over Pta 41bn in the year ending last November, 23 per cent up on 1977, turning in gross profits of Pta 1.25bn (Pta 1.11bn).

Despite the recession, the high cost of credit, and regularly increased dividends, its cash flow position has held steady, from Pta 1.94bn in 1977 to Pta 2.01bn last year.

Motor Iberica feels that although the car industry has missed its chance, there are now opportunities consolidating a truly national truck and tractor industry, of which it feels strong enough to form the nucleus.

Big turnround for Japanese oil producer

By Yoko Shibata in Tokyo

ARABIAN OIL, the Japanese oil producer with concessions in Saudi Arabia and Kuwait had higher net profits of Y1.328bn ($6.57m) for the year 1978, a turn around from a loss of Y522m. The company's operating profits rose by 35 per cent to Y173.985bn, on sales of Y294bn ($1.45bn), up 28.8 per cent over a year ago. Profits per share were Y26.57, compared with a loss of Y10.0 on the previous year.

During the year, the company benefited from additional demand due to speculation on Opec's price increase plans for 1979 and the additional delivery of 1.25m kilolitres for the Government's programme of emergency oil storage.

The company has been operating nearly at full capacity which boosted sales and profits. Arabian Oil said that the company's recent popularity on the stock markets in relation to Iranian unrest was rather groundless.

For the fiscal year ending December 31, 1979, the company could not give a clear picture of its business performance, because of various external factors such as the yen-dollar exchange rate, the Iranian political situation and the planned Opec price rise.

However, the company has maintained full production at 450,000 barrels a day since last autumn in view of the likely continued suspension of Iranian crude oil exports.

Roussel Uclaf stays well ahead

BY TERRY DODSWORTH IN PARIS

THE VIGOROUS first-half recovery of Roussel Uclaf, the French pharmaceutical, veterinary and perfumes group was not sustained at quite the same pace in the last six months of 1978, according to preliminary figures issued yesterday.

But the company has still managed to finish well ahead of its 1977 result, with its turnover up by 12 per cent to FFr 3.95bn ($9.9m), and profits are expected to increase in the same proportion. The company said yesterday that its sales would have shown an even larger rise, by about 13.3 per cent, if it had not withdrawn from some activities.

Roussel Uclaf, majority-owned by Hoechst of West Germany, has been following a policy of diversification in recent years and pushing hard into overseas markets, where it now generates about 61 per cent of its sales.

This dependence on foreign turnover is one of the reasons for its slower second-half growth, since the changes in the dollar-franc relationship have been penalising the franc value of its sales. In the first half of the year the group benefited from the launch of a number of new products which helped push up turnover by 15 per cent and profits by 23 per cent to FFr 59.6m.

Roussel Uclaf's diversification policy has been leading it away from its basic pharmaceutical business in recent years towards the health sector, plant control chemicals and agro-veterinary products. It also bought the Rochas perfume and cosmetics business in 1975.

SOURCE PERRIER SA, holding company for the French soft drinks group, reports net profits of FFr 44.6m ($10.37m) for the year ended September 30 against FFr 37m previously.

Net profit included a FFr 15.4m extraordinary gain, Reuter reports from Paris.

In the previous year, net profits included the reintegration of a previously constituted reserve of FFr 19m, set aside against possible losses of Perrier's former subsidiary, Preval.

Andelsbanken dividend up

BY HILIARY BARNES IN COPENHAGEN

ANDELSBANKEN, the first of the large Danish banks to publish 1978 results, proposes an increase in the dividend from 11 per cent to 12 per cent after increasing net earnings by DKr 30m to DKr 115m ($22.5m).

Operating results improved by DKr 27m to DKr 188m and the bank made a gain of DKr 56m on the value of securities held. The bank's balance sheet total rose by DKr 1bn to DKr 12bn, and deposits rose by 7 per cent to pass DKr 7bn at the end of the year. Advances rose by DKr 287m to DKr 5bn.

Meanwhile, the Dansk-Fransk shipping company has in principle reached agreement with creditors enabling it to undertake financial reconstruction, according to a company statement.

Its shares were suspended on the Copenhagen stock exchange on December 19 and will not be resumed until further notice. The company is endeavouring to sell a substantial part of its fleet and until these efforts are completed it will not know whether the company's equity capital of DKr 212m ($40.7m) at the end of 1977 remains intact, Mr. Niels Hahn-Petersen, director, said.

Swedish insurer to pay more

By William Dullforce in Stockholm

SKANDIA, the Swedish insurance company, improved earnings on its non-life business from SKr 172m to SKr 490m ($113m) last year. The Board is recommending an increase of SKr 1.50 to SKr 6.50 a share in the dividend.

Premium income grew by 14 per cent to SKr 4.84bn ($1.1bn). Of the declared profit SKr 205m came from domestic insurance, SKr 85m from international operations, and SKr 200m from capital income.

Fairchild doubles earnings for 1978

By Max Wilkinson

FAIRCHILD, the U.S. semiconductor and instrument company yesterday reported earnings of $24.7m for 1978, double the figure for the previous year.

Net sales increased 16 per cent to $533.8m. Earnings per share were up from $2.06 to $4.84.

One of the main reasons the company gives for its improved performance is its withdrawal from the digital watch business in which it has sustained heavy losses.

The company says that its order book is now strong for both electronic equipment and semiconductor components.

Fairchild recently announced that it is to set up a new metal oxide semiconductor plant in the UK as a joint venture with the General Electric Company.

The plant is to be sited at Neston in Cheshire and will make high density computer memory components for the international market.

Mr. Wilfred Corrigan, president of Fairchild, said yesterday: "The powerful worldwide demand for semiconductors has led us to expand production at our domestic and foreign plants, with attendant costs for manufacturing start-up.

"Capital expenditures last year were $32m, and are expected to be more than twice that amount in 1979."

Mr. Corrigan also said that sales of Fairchild's computer-controlled systems grew sharply in 1978 and that higher volume was achieved in sales of government equipment and industrial products.

Uniroyal stake taken by Gulf & Western

Gulf and Western Industries, one of the largest U.S. conglomerates, announced that it had bought 6.1 per cent of the equity of Uniroyal, the third largest U.S. rubber fabricator and a leading tyre manufacturer, reports Stewart Fleming from New York. Gulf and Western said it bought the 1.6m shares for investment for about $11m.

Kennecott optimism despite setback in final quarter

BY DAVID LASCELLES IN NEW YORK

KENNECOTT COPPER, which recently reached a truce in its takeover battle with Curtiss-Wright, yesterday reported a sharp drop in fourth quarter earnings, but predicted that performance would improve in the coming years.

Net income was $6.3m, or 19 cents a share, down from $11.7m, or 35 cents, in the same period of 1977. Sales, though, more than doubled to $524m. These figures brought 1978 total income to $5m, or 15 cents, up from $297,000, or 1 cent, and sales to $1.9bn, double the previous year's $925m.

Mr. Thomas Barrow, chief executive officer, said that while he was not pleased with these results, he was gratified that Kennecott had managed to stem its negative cash flow, and he predicted that programmes put in place in 1977 and 1978, would bear fruit in 1979 and beyond.

All divisions, including the Carborundum unit whose takeover precipitated the battle with Curtiss-Wright, operated profitably in the fourth quarter of 1978. And the recent improved trend in copper prices along with the company's cost control would help earnings upwards.

Campbell Soup buys ITT European food outlets

CAMDEN — Campbell Soup has agreed to acquire four European food units of International Telephone and Telegraph Corporation. The terms were not disclosed.

Campbell, a food products manufacturer, said the acquisition, which is subject to governmental approval, will give it entry into the frozen foods business in Europe and will expand its canned food and speciality cookie businesses there.

The four ITT operations to be acquired are: Groko BV, the Netherlands, a frozen foods producer; Nobo Dewall Group, a Dutch speciality-cookie producer; the Baustert division of Reiss International Gmbh, a West German producer of salted snacks; and the Lacroix division of Reiss International, a producer of delicatessen specialities.

Sales in 1978 of these units were estimated at the equivalent of about $80m.

Last summer, ITT negotiated to sell the European food companies to H. J. Heinz, but that plan fell through.

ITT had acquired the units as "satellite" companies for a major food company that it had planned to acquire in Europe. The big acquisition, however, was never completed.

In recent years, the food companies have shown small losses on marginal profits, and they are among a number of subsidiaries that ITT has targeted for divestiture.

AP-DJ

More switch to Toronto

BY ROBERT GIBBENS IN MONTREAL

ABOUT 100 head office accounting and financial staff of Du Pont, Canada, the major chemical and fibres group, are being moved from Montreal to Toronto for reasons of "operating efficiency." Total employment at Montreal head office will drop below 400.

It is the third major head office staff move by Du Pont out of Montreal since 1970. The weight of its operations has been moving towards Ontario in the west.

COMMODITIES/Review of the week

Copper price rise accelerates

BY OUR COMMODITIES STAFF

THE RISE in copper accelerated yesterday taking prices on the London Metal Exchange to the highest level for nearly three years.

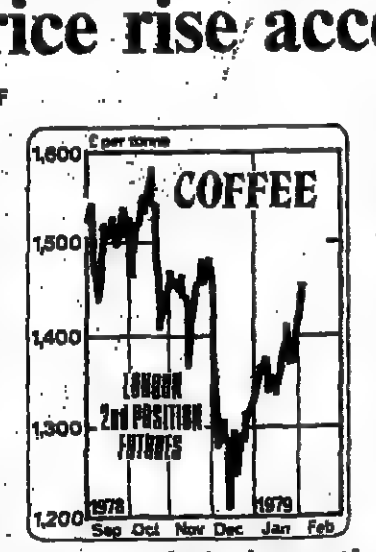
Cash wirebars climbed £30.5 to close at £945 a tonne, a gain of £83.5 on the week. The three months quotation was £77.25 higher on the week at £957, and moved even higher in late trading when the New York copper market rose the permissible limit up.

The market shrugged off forecasts of a relatively small fall in warehouse stocks, to be announced on Monday, and bouts of heavy profit-taking sales. Throughout the week in very active trading conditions, any decline in prices appears to have been used as a buying opportunity and the market has quickly climbed up again.

A significant feature has been sustained "borrowing" (buying cash and selling an equivalent amount forward at the same time) which has reduced the cash price discount to only £12 and triggered off suggestions that a shortage of supplies available to the market may be developing after the long period of heavy surplus.

The "bullish" mood of the market has also been encouraged by a further series of domestic increases by U.S. producers taking prices there to the highest level since 1974.

Although Zaire firmly denied that it was planning to cut back shipments, many traders believe this will happen. They also feel that Zambian output may be



reduced even further because of transport and production problems.

However the main influence behind this week's upsurge has greatly increased speculative buying interest.

The rise in copper fuelled sharp rises in the other metal markets too. Lead rose to new all-time peaks, with the cash price jumping by £37.5 to £555 a tonne and widening its premium over the three months quotation to more than £44.

Stocks are expected to show a small decline but there were reports of further buying interest from Communist bloc countries.

Tin rallied strongly and the cash price gained £205 on the week to £7,155 a tonne, despite easing yesterday. Aluminium and zinc values also followed the upward trend in copper with substantial price increases. Silver and platinum prices also rose to new peaks, despite the easier trend in gold.

Cocoa prices on the London futures market ended a five-day decline on Monday when the May position advanced by £25 a tonne. But the recovery proved short-lived and by last night's close May cocoa was quoted at a new ten month low of £1,725 a tonne, down £32.5 on the week.

Monday's rise had been encouraged by reports of a decline in Ghana cocoa purchases. But when this was confirmed on the following day most speculators took their profits and values slipped back.

Ghana main crop purchases declined again this week, the Cocoa Marketing Board announced in Accra yesterday. But the news appeared to have little impact on market sentiment.

The decline in cocoa values continued to be encouraged by reports of better-than-expected West African cocoa crops set against the disappointing consumption trend.

Coffee prices were stronger, reflecting continuing concern over the support buying policy being practised by the "Bogota Group" of Central American producers.

News that Brazil and Colombia, the world's two biggest coffee producers, had reduced their coffee export prices failed to stem the upward pressure resulting from the producer support buying.

The May position on the futures ended the week £86.5 up at £1,331 a tonne.

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'ge on week	Year ago	1978/79 High	1978/79 Low
Wheat					
No. 1 Red Spring	‡	—	£84.25	£98.5	£85.5
Am. Hard Winter (Jan.)	£88	+0.75		£90.25	£80.75
Eng. Milling (new crop)	£96	+2.5	£95.5	£105	£89.5
Spices					
Cloves	£5,975	—	£4,500	£5,000	£3,900
Pepper, white	$2,900	—	$5,325	$3,300	$2,575
Black	$1,825	—	$2,400	$2,450	$1,578
Oils					
Coconut (Phillip'es)	$1,010	+20.0	$570	$1,015	$632.5
Groundnut	‡	—	£609	£1,010	£527
Linseed, Crude	£370	+5.0	£266	£375	£266
Palm Malayan	$655	+12.5	$517	$660	$495
Seeds					
Copra (Philippines)	$690	+10.0	$592.5	$690	$572.5
Soyabeans (U.S.)	$290	—	$240.4	$313	$234
Other Commodities					
Cocoa Shipment	£1,733	-30.0	£1,542	£2,204	£1,511
Futures 2nd pos.	£1,725	-32.5	£1,451.5	£2,213.5	£1,455.5
Coffee Futures May	£1,331	+86.5	£1,628	£1,852.5	£1,092
Cotton Index	[illegible]	-0.75	[illegible]	80.7c	61.8c
Dess. Coconut	£740	—	£690	£750	£605
Jute UA BWC grade	$512	+5.0	$450	$520	$437
Rubber kilo	59.5p	-2.75	48.5p	64p	46.5p
Sago Pearl	£185	—	£185	£190	£177
Sisal No. 3	$615/620	—	$525/545	$665	$517.5
Sugar (Raw)	£97	+4.0	£110	£114	£91
Tapioca No. 1	£187	—	£180	£190	£172
Tea (quality) kilo	158p	+5.0	167p	160p	127p
(plain) kilo	72p	+3.0	92p	95p	60p
Woolstops 64s Warp	265p kilo	—	267p kilo	283p kilo	257p kilo

	Latest prices per tonne unless stated	Ch'ge on week	Year ago	1978/79 High	1978/79 Low
Metals					
Aluminium	£710	—	£680	£710	£680
Free Market c.i.f.	$1,290/300	+20.0	$965	$1,295	$965
Antimony (99.6%)	£1,925	—	£1,935	£1,925	£1,625
Free Market (99.6%)	$2,725/775	—	$2,175	$2,750	$2,155
Copper					
Cash Wire Bars	£945	+55.5	£627.5	£945	£618
3 mths Do. Do.	£957	+77.25	£640	£957	£624.75
Cash Cathodes	£929	+25.0	£617.25	£929	£602.5
3 month Do.	£942.5	+76.0	£629.25	£942.5	£614.755
Gold per oz	$231.375	-3.75	$174.875	$245.125	$165.122
Lead Cash	£555	+37.5	£313	£555	£275.2
3 months	£510.75	+27.25	£318.75	£510.75	£280.25
Nickel	‡	—	‡		
Free Market c.i.f. lb.	$1.68/85	+0.105	$1.83/2.05	$2.0	$1.66
Platinum per oz	£166.5	+12.5	£100.5	£156	£96
Free Market per oz	£195.2	+4.9	£111.75	£185.6	£96.45
Quicksilver (76lbs.)	$200/210	-10.0	$130/35	$215	$132.5
Silver per oz	334.1p	+5.3	252.55p	338.4p	250p
3 months per oz	343.45p	-0.65	256.45p	345.4p	255.9p
Tin cash	£7,155	+205.0	£6,350	£8,050	£5,600
3 months	£7,115	+227.5	£5,245	£7,845	£5,717.5
Tungsten Ind.	$144.29	—	—	$145.56	$134.24
Wolfram (22.04 lb.)	[illegible]	-4.0	$154	$172.5	$122.5
Zinc cash	£378.5	+16.5	£250	£378.5	£235.25
3 months	£391	+18.75	[illegible]	£391	£237.75
Producers	$760	—	$600	$760	$550
Grains					
Barley					
Home Futures	£89.85	-0.05	£73.2	£90.15	£70.05
Maize					
French No. 3 Yellow (American)	£108.75	-0.75	£97.5	£110.5	£90.5

‡ Unquoted. * Nominal. ø Madagascar.

MARKET REPORTS

BASE METALS

COPPER—Forward metal spurted over £30 to its highest level since July 1976 following a hectic day's trading on the London Metal Exchange. Forward material continued to surge ahead with heavy short covering, chartist buying and fresh demand pushing the price up to £963 on the afternoon kerb. The market again tended to shrug off periodic bouts of profit-taking to close at £957.5 on the late kerb, although in the late inter-office dealings it rose afresh to £967 following news that Comex had gone limit-up. Continued heavy borrowing narrowed the contango further to around £12. Stocks are expected to show a modest decline over the week during which forward metal has risen over £83. Turnover [illegible] tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	926.5-7	+15	944-6	+30.5
3 months	939-.5	+13½	956.5-7.5	+23½
Settl'm't	927	+16	—	
Cathodes				
Cash	912-.5	+13	928-30	+25
3 months	926.5-7	+15	942-3	+24
Settl'm't	913	+13	—	
U.S. Smt.	—		*77-84.5	

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £927, 27.5, 28, 27, three months £938, 37, 36.5, 37, 37.5, 38.5, 39, 39.5, 39, 40, 39, 39.5, 40, 39.5, 38. Cathodes cash £912, three months £925, 26.5, 27. Kerb: Wirebars, three months, £939, 40, 40.5, 41. Afternoon: Wirebars, three months £946, 47, 4.5, 50, 51, 52, 53, 52.5, 53, 54, 53, 53.5, 54, 54.5, 55, 55.5, 56, 56.5, 57, 58, 59, 58.5, 58, 57. Cathodes, three months £943. Kerb: Wirebars, three months £960, 59, 57, 57.5, 58, 59, 60, 61, 62, 61, 61.5, 62, 62.5, 63, 62, 61, 62, 61, 61.5, 61, 60.5, 60, 59, 57.

TIN—Barely changed in quiet trading. Forward metal rose to £7,170 on the pre-market reflecting the strength of copper and a rise in the Penang market. However, profit-taking pared the price to around £7,120 on the late kerb. Turnover 1,240 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7220-40	+45	7150-60	-50
3 months	7150-60	+55	7135-50	+2.5
Settlem't	7240	+50	—	
Standard				
Cash	7200-5	[illegible]	7150-60	-25
3 months	7155-40	[illegible]	7110-20	
Settlem't	7205	[illegible]	—	
Straits E.	‡1854	+14		
New York	—			

Morning: Standard, cash £7,200, £7,190, £7,200, three months £7,135, 40, 30, 35. Kerb: Standard, three months £7,135, 25. Afternoon: Standard, cash £7,180, 70, 60, three months £7,120, 35, 30, 25, 20. Kerb: Standard, three months £7,120, 10, 30.

LEAD—Higher following the sharp rise in copper. Forward material opened at £506 and moved up to close on the late kerb at £512. Forward metal showed a gain of over £27 on the week during which stocks are expected to show a small decline. Turnover 11,575 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	552-.5	+18.5	554-.5	+19
3 months	508-9	+9	510.5-11	+10.2
Sett'ment	553	+18	—	
U.S. Spot	—		*40.42	

Morning: Cash £550, 52, three months £508, 5, 5.5, 8, 8, 9. Kerb: Three months £508, 8.5, 9. Afternoon: Cash £554, three months £512, 11, 12, 11.5, 12, 11.5, 10, 10.5, 11. Kerb: Three months £511, 12, 11, 10, 11, 10.

ZINC—Strong reflecting the buoyancy of copper and lead. After opening around £380 forward metal moved up to close at £394 to show a gain on the week of over £18. Turnover 9,150 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	372.5-3	+7	378-9	+11.5
3 months	385.5-6.5	+7.5	390.5-1.5	+11.5
S'ment	373	+7	—	
Prim. west	—		*34.5-5.5	

Morning: Cash £372, 73, three months £385, 86, 85.5, 86. Kerb: Three months £385.5, 86. Afternoon: Three months £389, 90, 91, 90, 90.5, 91, 91.5, 91, 91.5, 91, 90.5, 91, 91.5, 90, 91, 91.5, 91. Kerb: Three months £391, 92, 93, 94, [illegible].

ALUMINIUM—Higher following the general firmness of base-metals. Forward metal rose to a high of £686 but this level attracted sizeable profit-taking which pared the price to £682 on the late kerb. Turnover 3,925 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£		£	
Spot	678-9.5	+12.5	678-82	+10.5
3 months	680.5-1	+12.5	671-2	+11.5

Morning: Three months £679, 80, 79.5, 80, 81, 80.5. Kerb: Three months £681, 82. Afternoon: Three months £686, 86.5, 86, 85.5, 86, 84, 83, 84, 85, 84.5, 84, 83, 82. Kerb: Three months £684.

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

SILVER

Silver was fixed 0.7p an ounce lower for spot delivery in the London bullion market yesterday at 334.1p. U.S. cent equivalents of the fixing levels were: spot 661.5c, down 2.9c; three-month 675.1c, down 3.0c; six-month 687.4c, down 3.3c; and 12-month 710.8c, down 3.2c. The metal opened at 335-336p (663½-665c) and closed at 336½-337½p (666½-668c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. close	+ or —
Spot	334.1p	-0.7	337.45p	+2.8
3 months	343.45p	-0.65	346.85p	+2.75
6 months	352.05p	-0.45	—	
12 months	367.5p	-0.5	—	

LME—Turnover 265 (318) lots of 10,000 ozs. Morning: Three months 344.3, 44, 43.7, 43.6. Kerb: Three months 343.6. Afternoon: Three months 346.5, 46.3, 46.5, 46.6, 46.5, 46.3, 47.4, 47, 46.9. Kerb: Three months 346.6, 46.8, 46.6, 46.5, 46.4, 46.3, 46.2, 46, 46.2.

COCOA

Cocoa futures remained steady throughout a featureless day with the Ghana purchase figure being largely discounted although prices eased slightly in late dealings to close marginally lower than last night's levels, reported Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
March	1674.5-75.0	-18.75	1705.0-1675
May	1724.0-25.0	-2.5	1745.0-17.0
July	1750.0-52.0	-5.5	1775.0-47.0
Sept	1780.0-85.0	-6.0	1805.0-1780
Dec	1827.0-30.0	-8.5	1850.0-28.0
March	1854.0-60.0	-9.0	1865.0-52.0
May	1865.0-75.0	-12.5	1875.0

Sales: 2,790 (4,559) lots of 10 tonnes.

International Cocoa Organisation (U.S. cents per pound): Daily price for Feb. 1 150.81 (152.62). Indicator price for Feb. 2: 15-day average 159.60 (161.48): 22-day average 164.61 (165.61).

COFFEE

ROBUSTA coffee futures opened £5-£10 higher reflecting the general sentiment of the market following last night's steady close, reported Drexel Burnham Lambert. The early afternoon period was rather disappointing as prices fluctuated in a narrow range but towards the close producer buying appeared evident as the market rallied sharply to finish £6-£29 up on the day.

COFFEE	Yesterday's Close £ per tonne	+ or —	Business Done
March	1457-1460	+23.5	1469-1435
May	1330-1332	+26.5	1338-1310
July	1264-1265	+18.0	1269-1238
September	1208-1209	+11.0	1209-1181
November	1165-1167	+18.0	1170-1150
January	1140-1145	+18.0	1145-1134
March	1115-1118	+26.5	1114-1110

Sales: 5,978 (5,787) lots of 5 tonnes.

ICO Indicator prices for Feb. 1 (U.S. cents per pound): Colombian Mild Arabicas 148.00 (same), unwashed Arabicas 131.00 (135.00); other Mild Arabicas 124.67 (124.00); Robustas ICA 1976 133.50 (134.00); Robustas ICA 1968 134.00 (134.50). Daily average 130.38 (130.78).

GRAINS

LONDON FUTURES (GAFTA) The market was quiet and featureless, trade selling of both old crops causing values to ease a little. Thus old crop wheat closed 5/10p down and old crop barley 15/20p down. New crops failed to attract interest ending the day 10p/20p lower, Acli reported.

M'nth	WHEAT Yesterday's close	+ or —	BARLEY Yesterday's close	+ or —
Mar.	93.25	-0.05	87.65	-0.15
May	96.20	-0.15	89.85	-0.10
Sept.	90.15	-0.15	84.15	-0.10
Nov.	93.10	-0.20	87.15	-0.10

Business done—Wheat: March 93.30-93.20, May 96.30-96.15, Sept. nil, Nov. 93.10-93.10. Sales 38. Barley: March 87.50-87.30, May 90.05-89.80, Sept. nil, Nov. nil. Sales 52.

HGCA—Location ex-farm spot prices. Other Milling Wheat: Norfolk 90.00. Feed Barley: Norfolk 84.90, Devon 83.40.

The UK monetary coefficient for the week beginning February 5 will remain unchanged.

IMPORTED—Wheat: CWRS No. 1 13½ per cent unquoted. U.S. Dark Northern Spring No. 2 14 per cent, mid-Jan./mid-Feb. 95.50, March 91.25, seller transhipment East Coast. U.S. Hard Winter 13½ per cent, mid-Jan./mid-Feb. March 88, sellers transhipment East Coast. EEC unquoted. Maize: U.S./French Feb. 108.75, March 109.75, sellers transhipment East Coast. S. African White second half Feb./first half March 73 seller cif Glasgow. S. African Yellow second half Feb./first half March 73 seller cif Glasgow. Barley: English feed fob Feb. 90.50, March 91, April-June 92.75-93.50, sellers fob East Coast UK.

RUBBER

STEADIER opening on the London physical market. Little interest at higher levels, closing on an easier note, Lewis and Peat reported the Malaysian godown price was 241 (240) cents a kilo (buyer, February).

No. 1 R.S.S.	Yesterday's Close	Previous Close	Business Done
March	61.05-61.25	60.45-60.50	61.40-60.05
April	61.50-61.40	61.20-61.25	61.50-61.00
Apr-Jne	61.90-62.00	61.90-61.85	62.25-61.55
Jy-Sept.	65.65-65.70	63.85-63.75	64.15-63.50
Oct-Dec	65.80-65.85	66.90-65.85	66.15-65.30
Jan-Mar	67.50-67.55	67.50-67.60	67.65-67.25
Apr-Jne	69.50-69.55	69.40-69.45	69.90-69.40
Jy-Sept.	71.40-71.45	71.40-71.45	[illegible]
Oct-Dec	75.45-75.50	75.35-75.40	75.80-75.45

Sales: 19 lots of 5 tonnes; 530 lots of 15 tonnes.

Physical closing prices (buyers) were: Spot 59.5p (59.0); March 59.75p (same); April 60.25p (same).

SOYABEAN MEAL

	Yesterday Close	+ or —	Business Done
	£ per tonne		
February	130.50-31.0	+1.55	130.50-30.00
April	126.20-26.4	+0.75	126.50-26.20
June	125.10-26.2	+1.40	125.20-24.80
August	125.50-27.0	+1.10	—
October	124.10-27.0	+0.85	—
December	124.00-27.0	+1.50	—
February	124.00-27.5	+0.70	—

Sales: 100 (45) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICES (raw sugar): £97.00 (£96.00) a tonne cif for Jan.-Feb. shipment. White sugar daily price was fixed at £98.00 (same).

First trades were around overnight levels but prices quickly rallied as short-covering developed which found only scattered offerings scale up. However heavy resistance was encountered at £105 in the prompt position and the advance was halted. Later New York quotations again failed to match up and the market fell back to around opening levels.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Close	Business Done
	£ per tonne		
March	104.50-04.55	103.75-03.90	105.10-103.5
May	108.75-08.80	107.95-08.00	109.25-07.75
Aug.	112.90-13.00	112.25-12.50	113.75-12.25
Oct.	115.70-15.75	114.95-14.95	116.50-15.00
Dec.	118.50-18.60	117.65-17.75	118.50-17.75
March	125.25-25.40	122.90-22.95	124.50-22.80
May	125.50-26.00	125.00-25.50	—

Sales: 3,048 (4,431) lots of 25 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £264.85 (same) a tonne for home trade and £168.50 (same) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean port. Prices for Feb. 1. Daily 7.64 (7.85); 15-day average 7.51 (7.50).

WHITE SUGAR—Close (in order buyer, seller, business, sales). April 102.95, 103.25, 103.00, 14; July 109.75, 110.00, 109.75-109.00, 11; Sept. 114.75, 115.00 115.00-114.50, 253; Nov. 120.50, 120.75, nil, nil; Feb. 126.25, 127.75, nil, nil; April 130.75, 132.75, nil, nil; July 134.00, 137.75, nil, nil. Sales: 278.

WOOL FUTURES

LONDON GREASY—Close (in order buyer, seller). March 214.0, 220.0; May 217.0, 224.0; July 217.0, 225.0; Oct. 230.0, 238.0; Dec. 231.0, 240.0; March 234.0, 244.0; May 235.0, 244.0; July 236.0, 247.0. Sales: 5.

SYDNEY GREASY—Close (in order buyer, seller, business, sales). Micron Contract: March 353.8, 354.5, 354.0, 353.0-47; May 360.0, 360.5, 360.5-360.0, 13; July 365.2, 366.0, 365.5-365.0, 32; Oct. 366.5, 368.0, 367.0-367.0, 14; Dec. 370.0, 370.5, 370.5-370.00, 36; March 374.5, 375.0, 374.8-374.0, 16; May 376.0, 377.0, nil, nil; July 378.5, 379.0, 379.0, 379.0, 66. Sales 164.

AMERICAN MARKETS

NEW YORK, Feb. 2.

PRECIOUS METALS closed sharply higher in silver limit bid on chartist and Commission House aggressive buying on worries of a possible confrontation in Iran. Copper closed near limit bid against going life of contract highs on heavy chartist and speculative buying. Sugar closed slightly higher on speculative short covering and pre-weekend book squaring.

Cocoa—March 147.00 (147.25), May 149.45 (149.45), July 151.50, Sept. 152.80, Dec. 155.85, March 157.85, May 158.55. Sales, 841.

Coffee—"C" Contract March 128.75 (127.50), May 128.00-126.25 (125.23), July 125.50-120.00, Sept. 125.50-126.75, Dec. 122.51-124.00, March 124.00-125.00, May 124.00-124.75, July 117.00-123.00. Sales: 1,656.

Copper—Feb. 83.25 (79.65), March 83.10 (80.10), April 83.35, May 83.55, July 83.55, Sept. 83.55, Dec. 83.45, Jn. 83.40, March 83.36, May 83.30, July 83.25, Sept. 83.20, Dec. 83.15.

Cotton—No. 2: March 83.45 (83.00), May 65.61-65.70 (65.30), July 67.15, Oct. 65.00, Dec. 63.70-63.75, March 64.70-64.80, May 65.70-65.80, July 65.60-66.00. Sales: 5,050.

*Gold—Feb. 239.00 (231.40), March 240.50 (233.20), April 242.50, June 246.80, Aug. 251.10, Oct. 255.40, Dec. 259.80, Feb. 264.20, April 268.60, June 273.10, Aug. 277.60, Oct. 282.10, Dec. 286.60.

Orange Juice—March 121.50 (120.35), May 123.50-124.00 (122.75), July 125.20, Sept. 125.80, Nov. 120.90, Jan. 113.50-113.85, March 113.50-113.85, May 113.50-113.85, July 113.00-114.00.

*Platinum — April 396.00-396.60 (380.50), July 397.00-397.40 (388.10), Oct. 390.00, Jan. 400.00, April 392.50, July Nil.

¶Silver—Feb. 688.00 (669.90), March 691.00 (671.90), April 695.20, May 698.50, July 705.90, Sept. 713.50, Dec. 725.40, Jan. 729.60, March 738.00, May 746.40, July 754.80, Sept. 763.20, Dec. 776.40. Handy Harman spot 671.00 (656.00).

Sugar—No. 11: March 8.28-8.29 (8.22-8.23), May 8.61-8.64 (8.53-8.51), July 8.87-8.88, Sept. 9.08-9.10, Oct. 9.19-9.21, Jan. 9.00-9.40, March 9.81, May 9.95-10.07, July unquoted. Sales, 1,450.

CHICAGO, Feb. 2.

Lard—Chicago loose 24.25 (24.50). New York prime steam 25.75 traded (26.00 traded).

Live Hogs—Feb. 556.5-557.0 (542.0), April 619.5-618.5 (505.5), June 535.5-534.0, July 536.7-536.7 bid, Aug. 499.5-498.2, Oct. 471.5-471.0 bid, Dec. 480.0, Feb. 477.5 bid, April 457.0 bid. Sales, 8,000.

††Maize—March 234-234½ (233½), May 243-243¾ (242¾), July 247¾-248, Sept. 250½, Dec. 254¾-254½, March 261¾.

Pork Bellies—Feb. 68.50 bid (64.50), March 66.00 bid (64.00), May 66.25-66.25 bid, July 65.95-65.95 bid, Aug. 63.95 bid. Sales, 4,884.

Shell Eggs—Feb. 57.90-57.00 (56.25), March 556.5 asked, April 524.5 bid, May 60.00, Sept. 58.00. Sales, 82.

Silver—Feb. 698.0 (668.3), March 693.5 (673.5), April 698.5-698.5, June 706.2-706.2, Aug. 713.8, Oct. 721.7, Dec. 729.6, Feb. 737.7, April 741.6, June 754.8, Aug. 763.8, Oct. 773.0, Dec. 782.5, Feb. 792.0, April 802.1, June 812.2, Aug. 822.5.

†Soyabeans—March 720-719 (709½), May 732-733 (723), July 740½-742, Aug. 738, Sept. 707-708, Nov. 692-694, Jan. 700½, March 709½.

‖Soyabean Meal—March 193.00-193.40 (190.20), May 196.00-195.50 (191.90), July 197.00-197.50, Aug. 197.80, Sept. 196.00, Oct. 192.00-191.00, Dec. 190.50-190.00, Jan. 190.50.

Soyabean Oil—March 25.05-26.00 (25.33), May 26.15-26.20 (25.58), July 26.25-26.30, Aug. 26.25-26.30, Sept. 25.50, Oct. 25.05-25.10, Dec. 24.00, Jan. 24.85, March 24.85.

‡Wheat—March 355-354¼ (351½), May 330½-330½ (330½), July 314½-313¼, Sept. 131½, Dec. 328, March 337.

WINNIPEG, Feb. 2. §Rye — May 101.00 bid (100.30), July 100.60 bid (99.40), Oct. 100.50 bid, Dec. 100.50.

§Oats—March 86.00 bid (85.40), May 83.60 (83.20), July 82.80 asked, Oct. 82.80 asked, Dec. 83.30.

§Flaxseed—May 338.00 bid (329.00 bid), July 332.70 (323.80 bid), Oct. 329.00 asked, Nov. 320.00 asked, Dec. 323.00 bid.

§Barley—March 77.70 (77.50), May 78.70 (78.30), July 81.00 asked, Oct. 84.20 bid, Dec. 84.20 bid.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 188.55 (same).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. †† Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq. feet. ‡ Cents per dozen.

INDICES

FINANCIAL TIMES

Feb. 2	Feb. 1	M'nth ago	Year ago
265.23	262.23	259.09	227.36

(Base: July 1, 1952=100)

DOW JONES

Dow Jones	Feb. 2	Feb. 1	Month ago	Year ago
Spot	376.40	375.14	384.06	348.56
F'tur's	370.41	369.18	—	—

(Average 1924-25-26=100)

MOODY'S

Feb. 2	Feb. 1	M'nth ago	Year ago
1018.3	1011.4	977.2	896.6

(December 31, 1931=100)

REUTERS

Feb. 2	Feb. 1	M'nth ago	Year ago
1515.6	1415.8	1495.8	1399.4

(Base: September 18, 1931=100)

LIVERPOOL COTTON—Spot and shipment sales in Liverpool amounted to 619 tonnes, bringing the total to 761 tonnes against 993 tonnes for the previous week. Renewed purchasing in many special styles attracted much attention. Middle Eastern qualities as well as African and American growths moved off freely.

GRIMSBY FISH—Supply poor, demand fair. Prices at ship's side (unprocessed) per stone: Shelf cod, £3.60-£4.60; codlings £2.50-£3.20; medium haddock £3.80-£4.50; large plaice £3.20-£3.70; medium £3.20-£3.70; best small £3.00-£3.80; large skinned dogfish £7.50, medium, £5.50; large lemon soles £9.00, medium £8.00.

MEAT/VEGETABLES

SMITHFIELD—No carcase meat prices quoted.

MEAT COMMISSION—Average fatstock prices at representative markets on February 2 GB cattle 71.78p per kg l.w. (+0.70). UK sheep 140.8p per kg est.d.c.w. (+2.2). GB pigs 63.3p per kg l.w. (−1.8). England and Wales: Cattle numbers down 1.1 per cent, average price 71.87p (+0.60). Sheep numbers down 6.2 per cent, average price 142.0p (+2.4). Pig numbers down 3.8 per cent, average price 63.3p (−1.8). Scotland: Cattle numbers up 39.3 per cent, average price 71.36p (+1.52). Sheep numbers down 11.7 per cent, average price 132.1p (no change).

Glasgow Corp. 9¼pcRed. stk. 87½ (30 1)
Gloucestershire County Council 5¼pcRed. stk. 91½ (26/1). 9¼pcRed. stk. 91
Greenwich 11¾pcRed. stk. 92½ (29/1)
Hertfordshire County Council 5½pcRed. stk. 91¼ (31/1). 5½pcRed. stk. 73¼ ¼. 6½pcRed. stk. 68¾ ½ (29 1)
Islington Corp. 10pcRed. stk. 87½ (29.1). 12½pcRed. stk. 95¼ (31 1)
Kensington Chelsea Var. Rate (10.4063pc) 98 63-64ths (29/1). 11½pc 90½ (29 1)
Kent 9¼pc 93 (29 1)
Lanarkshire C.C. 5½pc 99⅛ (30 1). 6pc 89⅛ (31/1)
Lincoln 13pc 99¼ (26/1)
Liverpool 13pc 94 (29 1)
Middlesex C.C. 5¼pc 92¼ (31/1)
Newcastle-upon-Tyne 9¼pc 1978-80 93½ (30 1)
Sandwell 13pc 1985 95¼ (31/1)
Southend-on-Sea B.C. 12pc 92 (29 1)
Southwark 11¼pc 90¼ (30/1). 12½pc 90¼ (26 1)
Stirling C.C. 7¼pc 96½
Sunderland (Borough) 12¼pc 94 (30/1)
Tyne and Wear C.C. 12pc 92¼ (31.1)
West Bromwich 5¼pc 96½ (30/1)
Westminster 13pc 98½ (30/1)

SHORT-DATED BONDS
FREE OF STAMP DUTY

8pc Bds. Reg. (28.2/79) 99.812 99.815 99.797 99.800 (29/1)
10¼pc Bds.Reg. 4/7/79 98.740 98.743 (28/1)
9⅞pc Bds.Reg. 8/8 79 98¹³⁄₃₂ (3 1)
9⅞ Bds.Reg. 22/8/79 98⅟₁₆ (26/1)
9¼pc Bds.Reg. 5/9/79 98½ ⅟₁₆ 8 (29/1)

Belfast City Council 6½pcRed stk. 88¼
Birmingham Corp 7¼pcRed. stk. 83¾ (26/1). 8pc stk. 87 (26 1). 9¼pc stk. 89¾ (29 1)
Birmingham Dist. Council 12½pcRed. stk. 54¼ (31 1). 13pcRed. stk. 96¾ (26/1). Floating Rate stk. 97 (31.1)
Bootle Corp. 7pcRed. stk. 99½ 33-64ths (30 1)
Bristol (City) 13¾pcRed. stk. 99¹¹⁄₁₆ (30 1)
Camden 12½pcRed. stk. 93 (29 1)
Cardiff City Council 11pcRed. stk. 88¹¹⁄₁₆
Cardiff Corp. 7pcRed. stk. 82½ (26 1)
Croydon Corp. 6½pcRed. stk. 84 (26/1)
Dudley Metrop. Borough Floating Rate stk. 10.5938pc 99 33-64ths 35-64ths (26/1)

12pc Treasury Ln. 1983 A 96⅛ 6 ⅛
12½pc Treasury Ln. 1993 91⅞
12½pc Treasury Ln. 1992 93½
12¾pc Treasury Ln. 1995 94¾
13½pc Treasury Ln. 1997 95⅞ 5 4⅞
13¼pc Treasury Ln. 1993 100⅛
14½pc Treasury Ln. 1994 101¹¹⁄₁₆
15¼pc Treasury Ln. 1996 110⅛ 9⅞ 10

APPOINTMENTS

Executive posts at Baring Brothers

Mr. G. G. F. Barnett, Mr. N. D. Brown, Mr. J. A. Carwardine and Mr. A. J. Commiu have been appointed directors of BARING BROTHERS AND CO. Mr. W. Backhouse, Mr. J. M. de Bunsen, Mr. M. T. Chamberlayne, Mr. D. S. I. Elliott, Mr. J. Fawthrop, Mr. S. J. Rout and Mr. T. A. Veitch have been made assistant directors. Mr. A Vila, Miss D. E. F. Williams, Mr. G. F. Wise and Mr. A. A. Wood become managers.

★

Dr. H. R. Bentley is to become assistant managing director of IMPERIAL TOBACCO on March 22 and retains his responsibility for research and development.

★

Mr. R. W. Peel has been appointed regional director, Midlands, of UNITED DOMINIONS TRUST in succession to Mr. P. J. A. Bertram, who has been seconded to Wholesale Vehicle Finance as managing director.

★

Mr. Peter Bleay and Mr. Michael Featherstone have been appointed to the Board of Rest Assured. Mr. Featherstone is a divisional director of that company and Mr. Bleay is managing director of William Lawrence. Mr. R. S. Mills has become a director of William Lawrence. The companies are members of the THOMAS TILLING GROUP.

★

Sir Alan Dawtry is to be appointed president of the LONDON RENT ASSESSMENT PANEL to succeed Lady Phillips when her term of office ends on June 30. Sir Alan will become a vice-president of the Panel from April 1 before he takes over as president.

★

Mr. Gerd Seeber, Mr. Colin Clark, Rachel Caldin and Mr. Patrick Maloney have joined the Board of OCTOPUS BOOKS.

★

Mr. Franklin S. McCarthy, vice-chairman and chief executive officer of Petrosar, Sarnia, Ontario, has been elected to the Board of ALCAN ALUMINIUM LIMITED, Montreal.

★

M. George Taylor has been appointed to the newly-created position of international relations adviser on the Board of PSA PEUGEOT-CITROEN. He has been succeeded as president of Automobiles Citroen by M. Jacques Lombard, who has been replaced as director responsible for commercial affairs by M. Xavier Karcher, a former director of PSA.

★

Mr. Anthony Alcock has been appointed financial director of DATA RECORDING EQUIPMENT.

★

Mr. Roger V. Senez has been made vice-president — European operations of CHAMPION SPARK PLUG COMPANY, U.S., with responsibility for operations in Europe and headquarters in Brussels.

★

Mr. L. N. A. Flockhart, managing director of SMITH KLINE AND FRENCH LABORATORIES for the UK and Ireland, has been made a vice-president, SK and F Laboratories International.

★

Mr. A. Bertelsen, managing director of CELCON, has been made chairman of the company and its subsidiaries, Ryarsh Brick Company and Neolite. Mr. H. Schmidt-Hansen, deputy managing director, has been appointed managing director of the above companies.

★

Board of WHOLESALE VEHICLE FINANCE, the company formed by the National Enterprise Board to help fund stocks at BL Cars' dealers will be chaired by Mr. Alfred Singer, at present chairman of the trustees of the Post Office Staff Superannuation Fund. Managing director will be Mr. Peter Bertram, seconded from United Dominions Trust. Other members of the Board are Mr. Lionel T. Anthony (deputy director general, National Coal Board Pension Funds); Mr. Martin R. Brookman (finance director, NEB); Mr. Robert A. Padgett (director of finance, POSSF); and Mr. Arthur C. Richards (managing director, UDT). The NEB will appoint one additional director.

★

EGA HOLDINGS, a wholly-owned subsidiary of MK Electric Holdings, has appointed Mr. Roger Hutchins as managing director. He comes from Thorn Lighting where he was commercial manager of the international division. Mr. Eric Payne has relinquished his post as managing director of Ega Holdings and has resigned from the Board. Mr. F. A. W. Payne, Mr. J. Payne and Mr. M. W. Palmer have also left the Board. Mr. M. G. Phillips, a director of MK Electric Holdings has been appointed a non-executive director of Ega while Mr. A. G. Smith, currently technical director of Egatube has been appointed director-marketing, and Mr. P. G. Wood has been appointed director-commercial at Ega. Mr. G. A. Fry has been appointed company secretary of Ega Holdings. MK Electric bought Ega Holdings in November 1977.

★

Mr. Jack D. Newell has been appointed managing director of INDUSTRIAL ENERGY COSTS (TELECOMMUNICATIONS), a new company within the Industrial Energy Costs Group.

★

Mr. Jonathan Bird has resigned as managing director of CI CARAVANS to take up another appointment. He leaves at the end of March. Mr. Michael Bridgeman has been made general manager of the company, which is a subsidiary of Caravans International.

★

Mr. Rex M. Christie has been appointed managing director of BRITTANIA SPORTSWEAR COMPANY, the UK subsidiary of Schoenfeld Corporation. He was formerly managing director (Western Europe) of Foster Grant (Sunglasses).

★

Mr. M. T. Reeves has been appointed to the Board of ELLIS AND GOLDSTEIN (HOLDINGS).

★

Elaine Tucker has been appointed managing director of HINDES, a member of the Ward Securities Group.

★

Mr. H. P. Graef has been appointed marketing director of GSPK (ELECTRONICS).

★

Mr. John W. Parsons has been made managing director of ITR INTERNATIONAL TIME.

★

Mr. Stuart Harrison, a director of the Slimma Group, will be joining TEXTURED JERSEY as commercial director from April 2.

★

The building and civil engineering divisions of WIGHT CONSTRUCTION have become separate operating companies under the titles of Wight Building and Wight Civil Engineering and the respective managing directors are Mr. A. Stewart and Mr. A. Y. Mitchell.

★

Mr G. W. L. Roach has been appointed managing director of ODEX and Mr. W. T. Levell has become managing director of PDH CATERING SUPPLIES. The companies are members of the PATERSON ZOCHONIS group. Mr. G. N. C. Flint and Mr. A G Kanellis, directors of Paterson Zochonis, and respectively chairman and managing director of member company Cussons Group, have been made chairman and managing director of Odex Racasan and Mr Roach has joined the Board of that concern. Mr. S. H. Cussons, a director of Paterson Zochonis, is now chairman of PDH Catering Supplies.

★

Mr. W. A. Handley has been appointed executive director, overseas manufacturing, at DOWTY MINING EQUIPMENT.

SINGAPORE

Feb. 2	$	Feb. 2	$
Industrials		Straits Trdg	5.85
Bovis	—	Times Pub. Berhad	3.60
Boust'ad Co	2.02	U. Engin'ers	1.43
Boust'ad Bd	2.79	U. Ov's Bk	3.56
Dunlop	4.68	Wearnes	2.94
Esso	3.94	Tractors	5.40
Fraser Nave	‡5.65	Chemical	†4.92xd
Haw Par.	1.76	Wilm. Jacks	—
Hume Ind	1.93	Rubbers	
Inchcape	1.75	Btu.Lintang	2.00
Malay Brew	5.90	Dunlop Est.	3.66
Malay Cemt	3.46	Kempas	4.24
Met.BxSing	‡5.00	Tins	
Ov'sChinBk	6.45	Austral.Am.	5.90
Pan El'ctric	1.54	Berjuntal	7.95
Robins'n Co	2.58	Kampar	—
Rothman	2.93	Kuchai	—
Shell	2.84	Lower Perak	—
Sime Darby	3.34	PetalingTin	‡7.40
Cold St'r'ge	2.39	SupremeCp	‡2.00
StraitsSte'm	2.63	Tongkah Har.	3.12
Straits Tms (1975) Ltd.	†8.15		

† Buyer. ‡ Seller. xd Ex dividend.

Stock Exchange dealings

Thursday, February 1	4,083
Wednesday, January 31	4,293
Tuesday, January 30	4,555
Monday, January 29	4,267
Friday, January 26	3,904
Thursday, January 25	3,661

The list below records all last Thursday's marking and also the latest markings during the previous four trading days of any share not marked on Thursday. The latter can be distinguished by the date (in parentheses).

The number of dealings marked on Thursday in each section follows the name of the section. Unless otherwise denoted shares are £1 fully paid and stock £100 fully paid. Stock Exchange securities are quoted in pounds and fractions of pounds or in pence and fraction of pence.

The list below gives the prices at which bargains done by members of The Stock Exchange have been recorded in The Stock Exchange Daily Official List. Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 pm only, but later transactions can be included in the following day's Official List. No indication is available as to whether a bargain represents a sale or purchase by members of the public. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. ⊕ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." SA—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—Jamaican; $Ms—$Malayan; $Me—Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

Assoc. British Eng. (12½p) 7 (30 1)
Assoc. British Foods (5p) 67. 6½pcDeb. 71⊕. 7½pcUnsec.Ln. 1987-2002 27 (26.1)
Assoc. Communications A Ord. (25p) 118 13½ (31/1)
Assoc. Dairies Grp. (25p) 190⊕ 90 3 4 2 6. New (25p) 196 4 (26 1)
Assoc. Electrical Inds. 6pcDeb. 77¼ (30.1). 8¼pcDeb. 60 (30/1)
Assoc. Eng. (25p) 93½⊕ ½ 3 5
Assoc. Fisheries (25p) 40⊕ 2
Assoc. Leisure (5p) 80½⊕ ½ 80 1
Assoc. Newspapers Grp. (25p) 183
Assoc. Paper Inds. (25p) 56½ 7½ (26.1)
Assoc. Sprayers (10p) 57½ (29 1)
Astbury Madeley (Hldgs.) (20p) 79⊕
Astra Indstl. Grp. (10p) 25½
Audio Fidelity (10p) 34½ 6 (29/1)
Audiotronic Hldgs. (10p) 20. 12pcPf. (10p) 1¼
Ault Wiborg Grp. (25p) 42 (30/1)
Aurora Hldgs. (25p) 92
Austin (F.) (Leyton) (10p) 13½⊕
Automated Security (Hldgs.) (10p) 125
Automotive Prods. (25p) 75½⊕. 9pcPf. 100 (29/1)
Avana Grp. (5p) 83¼ 8½ 7½ 7 2½ 8 9

Clarke (Clement Hldgs.) (25p) 94⊕
Clay (Richard) (25p) 100 (31 1)
Clayton Dewandre Hldgs. 16pcDb. 114½⊕ ¾⊕
Clayton, Sons Co. (Hldgs.) (50p) 70 (30/1)
Clifford Snell (5p) 31 (29/1)
Clifford (Charles) Industs. 126⊕
Clifford's Dairies A Non-Vtg. (25p) 50 (30 1)
Coalite Chemical Products (25p) 65½ 3
Coates Bros. (25p) 75 (29/1). A Non-Vtg. (25p) 72 (31 1)
Coats Patons (25p) 69½ 70. 4½pcUnsec. Ln. 32¼. 6¼pcUnsec.Ln. 48 7¼ (31/1). 7½pcUnsec.Ln. 57⊕ (30 1)
Cocksedge (Hldgs.) (25p) 81 (31.1)
Cohen (A.) A (20p) 155 60
Cole (R. H.) (25p) 100⊕ 100
Collins (William) Sons (Hldgs.) (25p) 141 (29/1). A (Non-Vtg.) (25p) 139 (26/1)
Coltmore Invests. (25p) 31½ (26/1)
Comben Group (10p) 33½
Combined English Stores Group (12½p) 111 (31/1). 9½pcUnsec.Ln. 74 (26 1)
Comet Radiovision Services (5p) 105⊕ 7 8. New (5p) 108

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest %	Interest payable	Minimum sum £	Life of bond Year
Barnsley Metro. (0226 203232)	12	½-year	[illegible]	3-7
Burnley (0282 25011)	12½	½-year	[illegible]	5-7
East Linsey (0507 5801)	12¼	½-year	2,000	5-10
Exeter (0392 77888)	12¼	½-year	500	6-7
Knowsley (051 548 5555)	12¼	½-year	1,000	6-10
Poole (02013 5151)	11¾	½-year	500	2-3
Poole (02013 5151)	12¼	½-year	500	5
Poole (02013 5151)	12½	½-year	500	6-7
Reading (0734 55911)	12¾	½-year	1,000	5-7
Redbridge (01-478 3020)	12	½-year	200	4-5
Salford (061 794 4711)	12½	½-year	1,000	4-7
Sefton (051 922 4040)	12	½-year	2,000	3-4
Sefton (051 922 4040)	12¾	½-year	2,000	5-7
Wrekin (0952 505051)	12½	½-year	1,000	5-10

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term Shares
Abbey National	7.75	8.00	9.25	9.00 3 yrs., 8.50 2 yrs.
Aid to Thrift	8.25	8.75	—	—
Alliance	7.75	8.00	9.25	9.00 3-4 yrs., 8.50 2 yrs., 8.25 1 yr.
Anglia Hastings and Thanet	7.75	8.00	9.25	9.00 3-4 yrs., 8.50 2 yrs., 8.25 1 yr.
Bradford and Bingley	7.75	8.00	9.25	9.00 3 yrs., 8.50 2 yrs.
Bridgwater	7.75	8.00	9.50	9.10 2½ yrs., 8.75 2 yrs.
Bristol and West	7.75	8.00	9.25	—
Bristol Economic	7.75	8.00	9.25	8.25 3 months' notice
Britannia	7.75	8.00	9.25	9.00 3 yrs., 8.50 2 yrs., 3 months' not.
Burnley	7.75	8.00	9.25	9.00 3 yrs., 8.50 2 yrs.
Cardiff	7.75	8.50	9.50	—
Catholic	7.50	*8.20	9.00	— * 8.40 over £5,000
Chelsea	7.75	8.00	9.25	8.75 6 mths. not. £500 min. 8.50 3 mth.
Cheltenham and Gloucester	7.75	8.00	9.25	9.00 3 yrs., 8.50 2 yrs., £500-£15,000
Citizens Regency	7.75	8.30	9.50	9.30 3 years
City of London	8.00	8.30	9.25	9.35 3 yrs. increment share min. £500
Coventry Economic	7.75	8.00	9.25	9.00 3 yrs. min., 8.50 3 mths.' notice
Coventry Provident	7.75	8.00	10.00	9.25 3 yrs., 8.75 2 yrs., 8.25 1 yr.
Derbyshire	7.75	8.00	9.25	8.50 up to 3 months' notice
Gateway	7.75	8.00	9.25	9.00 3yrs., 8.5 2yrs., min. £500-£15,000
Guardian	7.75	8.25	8.50	8.95 £1,000 3 months' notice
Halifax	7.75	8.00	9.25	9.00 3 yrs., 8.50 2 yrs.
Heart of England	7.75	8.00	9.25	9.00 3 yrs., 8.50 3 months' notice
Hearts of Oak and Enfield	7.75	8.25	9.75	9.25 3-4 yrs., 9.00 2 yrs., 8.71 1 yr.
Hendon	8.00	8.50	—	9.00 6 months, minimum £2,000
Huddersfield and Bradford	7.75	8.00	9.25	9.00 3 yrs.; 8.50 2 yrs.
Leamington Spa	7.85	8.10	■10.97	8.85 2 years. ■ 3 years
Leeds Permanent	7.75	8.00	9.25	9.00 3 yrs., 8.50 2 yrs., min. £1,000
Leicester	7.75	8.00	9.25	9.00 3 yrs., 8.50 2 yrs., 8.25 3 mths.
Liverpool	7.75	8.00	9.45	9.10 3 yrs., 8.60 2 yrs., min. £1,000
London Goldhawk	7.75	†8.50	†9.75	†9.50 3 yrs., †9.25 2 yrs., †9.00 1 yr.
Melton Mowbray	7.85	8.10	9.25	8.85 2 yrs., minimum £2,000
Mornington	8.25	8.75	—	—
National Counties	8.00	8.30	9.30	9.40 6 mths., 8.75 3 mths., min. £1,000
Nationwide	7.75	8.00	9.25	9.00 3-4 yrs., 8.50 2 yrs., min. £500
Newcastle Permanent	7.75	8.00	9.30	9.30 3 yrs., 9.00 2 yrs.
New Cross	8.50	8.75	—	—
Northern Rock	7.75	8.00	9.25	9.00 3 yrs., 8.50 2 yrs., min. £200
Norwich	7.75	8.00	9.50	9.00 3 yrs., 8.75 2 yrs., min. £500
Peckham Mutual	8.00	8.50	—	—
Portman	7.75	8.00	9.25	9.00 3 yrs., 8.75 ½-yrly., 8.25 3 mths.
Principality	7.75	8.00	9.25	9.00 3-4 yrs., 8.50 2 yrs., min. £500
Progressive	8.00	8.25	9.25	9.00 2 yrs., 8.75 3 months' notice
Property Owners	7.75	8.50	9.75	9.00 3 months' notice
Provincial	7.75	8.00	9.25	9.00 3-4 yrs., 8.50 2 yrs.
Skipton	7.75	8.00	9.25	9.00 3 yrs., 8.50 2 yrs., 8.25 3 mths. not.
Sussex Mutual	7.75	8.35	10.00	9.30 3 yrs., 9.00 2 yrs., 8.75 1 yr.
Town and Country	7.75	8.00	♣10.00	9.00 3 yrs., 8.50 2 yrs. ♣ Max. £250
Walthamstow	7.75	8.10	9.20	9.15 3 yrs., 8.85 3 mths. not. min. £500
Woolwich	7.75	8.00	9.25	9.00 3 yrs., 8.50 2 yrs.

* Rates normally variable in line with changes in ordinary share rates.

† Includes 0.25% Centenary Bonus throughout 1979.

All these rates are after basic rate tax liability has been settled on behalf of the investor.

EXCHANGE CROSS RATES

Feb. 2	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.980	3.735	399.0	8.555	3.385	4.028	1676.	2.373	58.65
U.S. Dollar	0.505	1.	1.886	201.5	4.321	1.710	2.034	846.2	1.198	29.62
Deutsche mark	0.268	0.530	1.	106.8	2.290	0.906	1.078	448.6	0.635	15.70
Japanese Yen 1,000	2.506	4.962	9.361	1000.	21.44	8.484	10.09	4199.	5.947	147.1
French Franc 10	1.169	2.314	4.366	466.4	10.	3.957	4.708	1959.	2.774	68.56
Swiss Franc	0.295	0.585	1.103	117.9	2.527	1.	1.190	495.0	0.701	17.33
Dutch Guilder	0.248	0.492	0.927	99.07	2.124	0.840	1.	416.0	0.589	14.56
Italian Lira 1,000	0.597	1.182	2.229	238.1	5.106	2.020	2.404	1000.	1.416	35.00
Canadian Dollar	0.421	0.834	1.574	168.1	3.605	1.426	1.697	706.1	1.	24.72
Belgian Franc 100	1.705	3.376	6.368	680.3	14.59	5.772	6.867	2857.	4.046	100.

CURRENCIES, MONEY and GOLD

UK MONEY MARKET

Bank of England Minimum Lending Rate 12½ per cent (since November 9, 1978)

The Treasury bill tender rose by 0.4098 per cent to 12.4961 per cent yesterday, its highest level fof over two years, and the minimum accepted bid for bills dated Tuesday to Friday was £96.88½ compared with £96.98½ for bills dated Monday to Friday last week. Bills taken up on Monday will run for 92 days and applicants at £96.85 received 86 per cent and above in full. The £400m bills on offer attracted bids of only £470.52m and all bills offered were allotted. Next week £300m will be on offer, replacing a similar amount of maturities.

Day to day credit was in good supply in the London money market yesterday, and the authorities sold a large amount of Treasury bills all direct to the discount houses. The market was faced with a moderate increase in the note circulation. On the other hand Government disbursements exceeded revenue transfers to the Exchequer by a moderate amount, and there was a small surplus of Treasury bills maturing outside official hands.

In the interbank market overnight loans opened at 11⅞-12 per cent and eased to 11¼-11¾ per cent before firming back to 12 per cent and declining once again to around 11¼-11½ per cent at noon. However closing balances were taken at 5-7 per cent. Period rates showed a stronger tendency following the rise in the Treasury bill tender.

EXCHANGES AND BULLION

Trading in yesterday's foreign exchange market was fairly quiet ahead of the weekend, after a week of considerable activity. Attention still centred on the dollar which continued to improve, although it finished well below its best level for the day. Against the D-mark it touched DM 1.8925 in early afternoon trading before closing at DM 1.8850, compared with DM 1.8830 on Thursday. The Swiss franc closed slightly firmer at SwFr 1.7080 against SwFr1.7085 after slipping to SwFr 1.7150 earlier on. The dollar's easier trend started during the afternoon and many currencies probably firmed against the U.S. unit in line with a stronger tendency by the Japanese yen. The latter finished at Y201.40 compared with Y202.70.

Using Morgan Guaranty figures at noon in New York, the dollar's trade weighted average depreciation widened very slightly from 7.5 per cent to 7.6 per cent On Bank of England figures its index fell to 85.1 from 85.2.

Sterling traded very steadily for most of the day and traded within a very narrow range of $1.9775-1.9810. Most of the day's business took place around the $1.9800 level, and although it slipped to $1.9775 when the dollar was at its firmest against major currencies, it recovered by the close to $1.9795-1.9805, a fall of just 10 points. A rise in UK official reserves in January had little effect on trading and the pound's trade weighted index remained at 63.4, a level maintained at all three of the day's calculations.

Gold improved $1¾ an ounce in the bullion market to close at $231-231¾. Trading was described as fairly active and the metal touched a high point during the afternoon of $231¾-232.

THE POUND SPOT

Feb. 2	Ba'k rate %	Day's Spread	Close
U.S. $	9½	1.9775-1.9810	1.9795-1.9805
Canadian$	11¼	2.3700-2.3779	2.3725-2.3735
Guilder	6½	4.01½-4.04½	4.02¼-4.03¼
Belgian F	6	58.55-58.85	58.60-58.70
Danish K	8	10.30-10.35	10.31½-10.32½
D mark	3	3.72-3.74½	3.73-3.74
Port. Esc.	18	94.00-94.75	94.20-94.70
Span. Pes.	8	138.70-138.95	138.75-138.95
Lira	10½	1,674½-1,678½	1,675-1,676
Nrwgn. K.	7	10.20½-10.24	10.22-10.23
French Fr.	9½	8.54½-8.59	8.55-8.56
SwedishKr	6½	8.72-8.76	8.73½-8.74½
Yen	3½	396-406	398-400
AustriaSch	3¾	27.25-27.40	27.30-27.35
Swiss Fr.	1	3.37-3.40	3.38-3.39

Belgium rate is for convertible francs. Financial franc 58.60-58.70.

OTHER MARKETS

Feb. 2	£	$		£ Note Rates
Argentina Peso	2,083-2,103	1052-1062	Austria	27-28
Australia Dollar	1.7495-1.7565	0.8845-0.8867	Belgium	59.50-60.50
Brazil Cruzeiro	42.50-43.50	21.45-21.95	Denmark	10.25-10.35
Finland Markka	7.92-7.94	4.0085-4.1005	France	8.51-8.61
Greek Drachma	71.690-73.442	36.20-37.10	Germany	3.68-3.78
Hong Kong Dollar	9.43½-9.45½	4.7660-4.7690	Italy	1,660-1,710
Iran Rial	161.50-161.50	76½-81½	Japan	400-410
Kuwait Dinar (KD)	0.539-0.549	0.2751-0.2752	Netherlands	3.98-4.05
Luxembourg Frc.	58.50-58.70	29.51-29.64	Norway	10.15-10.35
Malaysia Dollar	4.3850-4.3985	2.2050-2.2100	Portugal	90-99
New Zealand Dlr.	1.8830-1.8910	0.9505-0.9550	Spain	139.30-144.50
Saudi Arab. Riyal	6.67-6.77	3.3680-3.3740	Switzerland	3.35-3.45
Singapore Dollar	4.3125-4.2500	2.1750-2.1800	United States	1.9750-1.9950
Sth. African Rand	1.7007-1.7342	0.8590-0.8760	Yugoslavia	41-43

Rate given for Argentina is free rate.

GOLD

	February 2	February 1
Gold Bullion (fine ounce)		
Close	$231-231¾	$229¼-230
Opening	$230½-231¼	$231¼-232
Morning fixing	$229.90 (£116.094)	$232.40 (£117.078)
Afternoon fixing	$230.30 (£116.343)	$229.35 (£115.728)
Gold Coins, domestically		
Krugerrand	$254¾-256¾ (£128-129)	$253½-255½ (£128-129)
New Sovereigns	$65¾-67¾ (£33-34)	$65½-67½ (£33-34)
Old Sovereigns	$68½-70½	$68¼-70¼

LONDON MONEY RATES

Feb. 2 1979	Sterling Certificate on deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	5-12	—	—	—	12⅛-12½	10-11¾	—	—	—
2 days notice	—	—	12-12⅛	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	12⅛-12½	—	—	—	—
7 days notice	—	11⅞-12⅛	12¼-12⅜	—	13	—	11-11½	—	—	—
One month	12¾-12⅛	12 1/16-12 3/16	12⅝-12¾	13⅛-13⅝	13⅛	13	11¾-12	12-12⅛	12½-12⅝	13⅛
Two months	13⅛-12⅞	12 1/16-13⅛	—	13-13⅜	13⅜	—	12¼-12⅝	12 1/16-12½	12¾-13	13⅜
Three months	13⅝-13⅜	13¼-13⅝	13¼-13⅜	13-13⅜	13⅞	13⅞	12⅜-12⅞	12½-12⅝	13 1/16-13¼	13⅝
Six months	13⅝-13⅜	13⅜-13⅝	13-13¼	12¾-13½	13⅞	—	—	—	12 15/16-13	13¾
Nine months	13⅝-13⅛	13⅜-13½	—	13⅛-13⅝	13¾	—	—	—	—	—
One year	13⅛-12 15/16	12 15/16-13¼	13-13⅛	13⅛-13½	13½	—	—	—	—	—
Two years	—	—	13-13¼	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. *Long-term local authority mortgage rates nominally three years 13⅛-13½ per cent; four years 13⅜-13⅝ per cent; five years 13½-13¾ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 12¾-12 13/16 per cent; four-month trade bills 13¾ per cent.

Approximate selling rates for one-month Treasury bills 12⅜ per cent; two-month 12 5/16-12⅜ per cent; three months 12⅜-12 31-64ths per cent. Approximate selling rate for one-month bank bills 12¾-12 13/16 per cent; two-month 12½-12¾ per cent; and three-month 12 15/16-13 per cent; one-month trade bills 13 per cent; two-month 13⅜ per cent; and also three-month 13½ per cent.

Finance House Base Rates (published by the Finance Houses Association) 12½ per cent from February 1, 1979. Clearing Bank Deposit Rates for small sums at seven days' notice 10 per cent. Clearing Bank Rates for lending 12½ per cent. Treasury Bills: Average tender rates of discount 12.4961 per cent.

CURRENCY MOVEMENTS

February 2	Bank of England Index	Morgan Guaranty changes %
Sterling	[illegible]	[illegible]
U.S. dollar	85.11	−7.6
Canadian dollar	78.61	−18.9
Austrian schilling	146.00	+19.4
Belgian franc	114.50	+15.7
Danish krone	118.52	+7.5
Deutsche Mark	149.32	+41.4
Swiss franc	192.07	+80.8
Guilder	124.47	+20.7
French franc	99.20	−6.1
Lira	54.23	−49.1
Yen	144.02	+42.4

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

EURO-CURRENCY INTEREST RATES

Feb. 2	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
Short term	11¾-11⅞	10-10¼	8¾-9¾	7⅜-7⅝	par-⅛	3⅛-3¼	6⅜-6⅝	7-10	—	2 [illegible]-3⅛
7 day's notice	12-12⅛	10⅛-10⅜	8¾-9¾	7⅜-7⅝	par-⅛	3⅛-3¼	6⅜-6⅝	10-11	[illegible]	[illegible]
Month	12¾-12⅞	10¼-10½	10⅝-11	7⅛-7⅜	[illegible]	3⅜-3¾	7¼-7½	12½-13¾	[illegible]	[illegible]
Three months	13½-13⅝	[illegible]	10⅞-11¼	7-7¼	[illegible]	3⅞-4	[illegible]	13-14	10⅝-10¾	2¼-2[illegible]
Six months	13½-13⅝	[illegible]	11-11⅜	6⅞-7⅛	[illegible]	[illegible]	8¼-8½	13½-14½	10¾-10⅞	2⅞-3[illegible]
One year	13⅛-13¼	[illegible]	11-11⅜	7-7¼	[illegible]	4⅜-4½	9-9¼	14-15	10¾-10⅞	3⅛-3¾

The following nominal rates were quoted for London dollar certificates of deposit: one month 10.25-10.35 per cent; three months 10.35-10.45 per cent; six months 10.60-10.70 per cent; one year 10.60-10.70 per cent.

Long-term Eurodollar deposits: two years 10⅜-10½ per cent; three years 10⅜-10⅝ per cent; four years 10 5/16-10 7/16 per cent; five years 10 5/16-10 7/16 per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

U.K. CONVERTIBLE STOCKS 2/2/79

Statistics provided by data STREAM International

Name and description	Size (£m)	Current price	Terms*	Con-version dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Diff.♡	Cheap(+) Dear(−)◊ Current
Associated Paper 9½pc Cv. 85-90	1.40	110.00	200.0	76-80	8.7	7.6	−0.9	−8 to 9	10.3	8.8	−1.4	−0.5
Bank of Ireland 10pc Cv. 91-96	1.20	189.00	47.6	77-80	5.4	2.0	−2.0	−9 to −2	18.1	13.9	−2.1	−0.1
British Land 12pc Cv. 2002	7.71	168.00	333.3	80-97	7.3	6.6	8.4	1 to 26	0.0	93.0	60.0	+51.6
English Property 6½pc Cv. 98-03	8.07	97.00	234.0	76-80	6.8	6.9	6.8	−11 to −1	11.4	6.2	−5.0	+1.8
English Property 12pc Cv. 00-05	15.31	92.00	150.0	76-84	13.5	13.5	37.8	36 to 66	26.5	45.8	29.0	−8.8
Hanson Trust 6½pc Cv. 88-93	4.51	85.00	57.1	76-80	7.9	8.6	−0.6	−3 to 8	6.0	6.2	0.2	+1.0
Hewden-Stuart 7pc Cv. 1995	0.01	376.88	564.5	75-80	1.9		−3.2	−7 to 8	15.6	6.4	−2.3	+0.9
Slough Estates 10pc Cv. 87-90	5.50	179.00	125.0	78-87	5.6	0.4	5.3	5 to 15	37.5	51.7	8.3	+3.0
Thorn Electrical 5pc Cv. 90-94	4.19	100.00	29.1	75-80	5.0	5.0	−1.3	−5 to 1	8.7	4.3	−4.3	−2.5
Tozer Kemsley 8pc Cv. 1981	0.78	92.00	153.9	74-79	8.9	12.4	30.0	12 to 30	5.1	3.9	−1.7	+31.7
Ultramar 7pc Net R.Cv.Pfd.	14.97	1.26	0.5	78-88	8.3	6.7	9.3	8 to 15	0.0	52.4	45.5	+36.2
Wilkinson Match 10pc Cv. 83-98	11.10	86.00	40.0	76-83	11.8	12.0	29.5	20 to 30	26.1	34.6	12.9	−16.7

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◊ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness, − is an indication of relative dearness.

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

RULE 163 (3)

Bargains marked for approved companies engaged solely in mineral exploration.

SPECIAL LIST

Business done in securities quoted in the Monthly Supplement

FEBRUARY 1 (Nil)

JANUARY 31 (Nil)

JANUARY 30 (Nil)

JANUARY 29 (Nil)

JANUARY 26 (nil)

RULE 163 (1) (e)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange.

FEBRUARY 1

Australian Dev. 45

Australian Oil 79

(By permission of the Stock Exchange Council)

Equities still defy serious labour situation but Gilts react further and close at lowest since March 1977

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Jan. 15	Jan. 25	Jan. 26	Feb. 6
Jan. 29	Feb. 8	Feb. 9	Feb. 20
Feb. 12	Feb. 22	Feb. 23	Mar. 6

* "New time" dealings may take place from 9.30 am two business days earlier.

Showing the same resilient trend for which they have been notable all week, the equity sections of Stock Markets yesterday closed harder for choice. Investment buying continued in a wide range of stocks and undeterred either by the serious labour unrest, reflected in a growing queue of wage claims well in excess of the Government's pay guidelines, or by the strengthening conviction that internal pressures would shortly force a further rise in the already historically high Minimum Lending Rate.

The last-named possibility, however, contributed to fresh easiness throughout Gilt-edged securities. Although selling was not on the scale of recent days, the withdrawal of recent support by one leading broker meant that overall demand was less and quotations were lowered accordingly. Later in the day, the rate on this week's Treasury bill offering added to the market's current sensitivity although prices were sustained at the lower levels by bear closing.

In the equity sectors, the emphasis stayed on secondary issues: individual sections warranting mention include Oils, Electricals and Properties. Although the last-named often settled below the best, they have been one of this week's star performers. Second-line Stores also became busier, but interest tended to subside in Plantations, good earlier in the week on rationalisation hopes.

Leading shares were again overshadowed and, after being slightly harder for most of the session, eased towards the close. The FT 30-share index recorded a rise of a full point at its best, but ended a net 1.2 lower at 467.3 reflecting after-hours' rumours of a pending all-out strike at BL Cars. On the week, however, the index was 2.3 higher, a remarkable achievement in the face of grim background events on the labour front for the fourth successive week.

Falls among longer-dated British Funds extended to ½, after ⅜, while the shorts retreated ¼ on steady selling before losses were eventually reduced to ⅛. The FT Government Securities index lost 0.24 further to 65.80 for a fall on the week of 0.76; this index is currently at its lowest since March 7, 1977.

The investment currency premium moved further forward yesterday as institutional demand in a short market helped it touch 98 per cent bid before closing 1½ better on balance at 96½ per cent. Yesterday's SE conversion factor was 0.6688 (0.6729).

Yesterday's activity in Traded Options failed to keep pace with the previous day's record level and 704 contracts were completed against Thursday's peak 1,351. BP were lively, recording 201 deals, while RTZ in continuing response to the current surge in the copper price, attracted renewed interest and 144 contracts were completed.

Up 11 on Thursday, Caledonian Holdings rose 5 to 88p compared with London and Midland Industries' 86½p per share bid. The latter, in light of a rival offer from an undisclosed source for Caledonian's home improvement division, firmed 3 to 101p. Also in recent issues, IAS Cargo Airlines attracted buyers and firmed 3 to 104p, while the 6 per cent Convertible Preference put on 4 to 104p.

Chris Moran dull

A Press report that the company is being investigated over possible currency irregularities unsettled Lloyds - Broker Christopher Moran which fell away in early dealings to touch a 1978-79 low of 41p before the Board's statement induced a rally which left a close of 45p, still down 6 on the day.

Firm at first, home Banks drifted lower at the day progressed and finished a shade easier for choice. Lloyds, which begin the dividend season on February 16, closed a couple of pence down at 293p, after 298p. Elsewhere, Standard Chartered came in for support at 462p, up 14, but Guinness Peat relinquished 4 to 115p in reaction to the disappointing interim statement.

Leading Buildings closed easier for choice following a small trade. Blue Circle at 265p, relinquished 2 of the previous day's rise of 6. Profit-taking left Brown and Jackson 10 cheaper at 270p, but buyers came in for Feb International which gained 3 to 31p. An investment recommendation prompted a small interest in Manders which firmed 5 to 106p and Press comment drew attention to Magnet and Southerns which improved a like amount to 140p. Reflecting the strength of the Property sector, Royco improved 1½ to 42½p. Dealings in plumbers merchants G. R. Francis were suspended at 64p pending an announcement.

ICI attracted a smallish trade and, after progress to 358p, drifted back to close a net penny cheaper at 355p. However, Fisons found a little support and improved 4 to 308p and Plysu firmed 3 for a two-day gain of 9 at 136p.

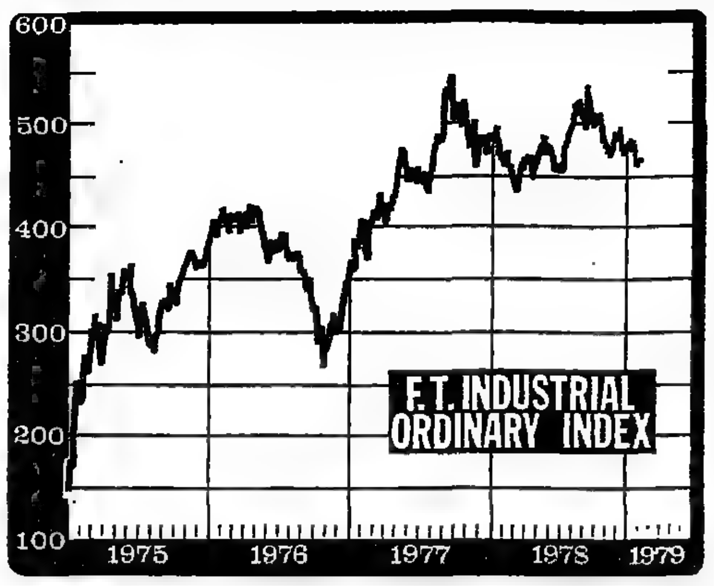
Interest in Stores continued to be centred around secondary issues although W. H. Smith A continued firmly among the leaders with a rise of 5 to 146p. Renewed buying in a thin market lifted Northern Goldsmiths 3 more to 91p, while William Mowat did well with a rise of 5 to 63p. Knott Mill added 1½ to 26p and Bakers Household (Leeds) improved a penny to 51p, the latter following the interim results. Bolton Textile, however, shaded 2 to 22p on profit-taking as did MFI Furniture, to 207p.

Demand was again forthcoming for Electrical issues which recorded some further good rises. Unitech encountered support ahead of the interim results, due next Friday, and gained 8 to 181p, while news of the sale of its subsidiary, Ferranti-Packard, to Northern Engineering for approximately £7.6m cash helped Ferranti to improve 12 to 372p. Decca "A" rallied 15 to 360p, while fresh demand lifted Eurotherm 8 more to 248p. Electrocomponents rose 7 to 340p and rises of 4 were recorded in Laurence Scott, 84p, and AB Electronic, 158p. By way of contrast, Louis Newmark remained unsettled by the profits warning and dipped 12 further to 203p. Among the leaders, GEC touched 328p before drifting back to close unaltered on balance at 324p.

Engineering leaders traded within narrow limits and final quotations were a few pence lower on balance. Press comment on the current boom in metal prices stimulated demand for British Aluminium, up 20 at 885p, and Alcan Aluminium, 8 higher at 154p: the latter's annual results are due next Friday. Press mention prompted gains of 4 and a penny respectively in S. W. Wood, 48p, and D. F. Bevan, 25p, but Ratcliffe Industries were lowered 4 to 84p on the fall in half-yearly profits. Yarrow, up 2 at 345p, showed a rise on the week of 35 on news that Vosper had increased its stake in the company. Interest revived in Bullough which gained 5 to 183p, while Brockhouse hardened a penny to 74p following the chairman's encouraging statement at the annual meeting.

In Foods, a resurgence of speculative interest lifted J. Bibby 10 to 295p, and, ahead of next Wednesday's interim results, Hillards added 4 to 234p for a gain on the week of 21.

Among Hotels and Caterers, Ladbroke held a late improvement of 6 at 179p.



Sothebys easier

Interest among miscellaneous Industrials was largely confined to secondary issues. In belated response to the overwhelming vote for majority rule in Rhodesia, Marshalls Universal jumped 12 to 148p. AGB Research added 9 to 146p following acquisition details. Renewed buying ahead of the results due on February 14 helped Glass and Metal improve 3 more to 103p and De La Rue rose 10 to 360p on reports that the strike at its Gateshead works is over. B.B. and E.A. remained in demand at 58p, up 6, while H. Goldman did well with a rise of 4 to 21p. Christie's International, 167p, and Sale Tilney, 143p, gained 6 apiece, while Stag Furniture added 7 at 162p. Alpine hardened a penny more on Press comment to take its rise on the week to 17½ at 100p. Longton Transport firmed 3 to 79p after further consideration of the interim results. By way of contrast, profit-taking brought about a fall of 6 to 387p in Sothebys.

Motor Distributors met a good business and generally finished at higher levels. Glanfield Lawrence again featured, rising 6 to 56p on speculative support on the possibility that a disposal of the late former chairman's large holding may result in a bid for the company. Elsewhere, Dowty spurted 9 to 269p ahead of the interim statement due on Wednesday.

Hopes of further development in the stagnant "Times" situation fuelled interest in International Thomson which rose 12 to 287p; the Convertible added 6 to 229p. Saatchi and Saatchi were again in demand after Press comment earlier in the week, putting on 5 for a two-day rise of 8 to 140p.

Dealings in English Property were suspended at 44p prior to the rejection of Eagle Star's equivalent cash offer. Eagle Star hardened 2 to 134p on the news that Canadian property group Olympia and York Developments had emerged as a possible rival bidder for English, while the Dutch group Wereldhave's increased cash offer of 46p per share. Eagle Star's qualified acceptance of this bid and EPC's rejection of it came well after the market's close.

Other Properties continued to benefit from the effects of the recent batch of bullish brokers' circulars, but leading issues tended to ease in after hour's dealings. British Land, however, held a gain of 2½ at 48½p and Bernard Sunley rose 5 to 267p, while Great Portland Estates added 6 to 238p. Elsewhere, Regional stood out with an above-average rise of 7 at 88p, while, mirroring Press comment, Intereuropean put on 4 to 52p and Centrovincial Estates 5 to 97p. In a thin market, McKay Securities rose 10 to 115p in belated response to the recent interim results.

Oil leaders good

Leading Oil shares were quick to respond to a reasonably good demand. Final quotations, however, were a few pence below the best, British Petroleum ending 12 up at 926p, after 928p, and Shell, 10 higher at 588p, after 592p. Secondary issues also made a headway with the exception of Siebens (UK), which reacted afresh to close 6 cheaper at 230p.

Trusts recorded further scattered modest improvements. Dealings were suspended in Selected Risk Investments at 450p pending an announcement. Among Financials, further support in an extremely thin market lifted Kitchen Taylor 7 more to 120p.

Shippings tended easier, with P & O Deferred reacting afresh on scattered offerings to close 2½ lower at 82p.

News that Birmingham and Midland Counties Trust now hold 27.5 per cent of David Dixon lifted the latter 4 to 150p, a rise of 18 on the week. Other selected Textiles tended firmer in quiet conditions. British Enkalon rose 3 to 22p following a reasonable business, while Sekers hardened 2 to 35p after the announcement of a proposed rights issue and the company's optimistic statement. Carpet manufacturers Stoddard eased a penny to 28p following the interim statement.

Bats continued to benefit from its results and rose for a gain on the week of 30 to 313p.

South African industrials closed higher on dollar premium influences. Greaterman's, 185p, and Tiger Oats, 615p, both rose around 15, while OK Bazaar advanced 30 to 430p.

Plantations remained firm although early buying fell away in afternoon trading. London Sumatra put on 5 to a new peak of 217p, while far-eastern buying helped Highlands add 5 to 128p.

Profit-taking in RTZ

After moving ahead strongly all week in the wake of the boom in base-metal prices on the London Metal Exchange and in U.S. commodity markets, the London-registered Financials came under modest pressure from profit-taking.

Rio Tinto-Zinc eased 2 to 278p but remained 20 higher over the week, while Charter gave up 4 to 152p to reduce the week's gain to 13. Tanks also shed 4 but, at 188p, still retained a rise of 14 over the longer period.

Overseas-based base-metal producers, however, continued to attract a good demand with prices additionally boosted by the firmer investment currency premium.

Australians were again featured by MIM Holdings which rose 8 for a week's gain of 20 to a 1978-79 high of 275p, while North Broken Hill put on 9 to 137p and Pacific Copper 2 to a 1978-79 high of 102p.

Elsewhere in Australians, Oakbridge put on 3 to 136p in front of news that the New South Wales State Government has given approval to BP to enter into a joint venture with Oakbridge to develop a new coal mine at Clarence.

Other overseas base-metal producers to register good gains included Roan Consolidated Mines, up 7 to a 1978-79 high of 100p for a rise on the week of 23. Vogels added 3 to a 1978-79 high of 83p.

South African Golds and Financials ended the week on a bright note, but gains mainly reflected the firmness of the investment premium.

The Gold Mines index rose 5.1 to 171.9 while the ex-premium index put on 2.8 to 115.0.

In Financials, General Mining again attracted Johannesburg buying which left the shares 20 higher to 450p. Irish-Canadians were featured by Sabina Industries which jumped 10 to 58p following speculative London buying.

FINANCIAL TIMES STOCK INDICES

—	Feb. 2	Feb. 1	Jan. 31	Jan. 30	Jan. 29	Jan. 26	A year ago
Government Secs.	65.80	66.04	66.37	66.59	66.54	66.56	74.83
Fixed Interest	67.21	67.74	67.93	67.96	67.98	68.57	78.78
Industrial	467.3	468.5	467.7	466.0	463.3	465.0	458.7
Gold Mines	171.9	166.8	165.3	167.2	168.2	167.6	151.6
Gold Mines (Ex $ pm)	115.0	112.2	113.4	115.0	113.7	115.5	114.3
Ord. Div. Yield	6.14	6.14	6.16	6.19	6.22	6.19	5.84
Earnings, Y'ld % (full)	16.07	16.00	16.11	16.20	16.28	16.21	17.78
P/E Ratio (net) (*)	8.07	8.08	8.05	8.01	7.96	8.00	7.97
Dealings marked	4,838	4,083	4,293	4,555	4,267	3,904	5,361
Equity turnover £m.	—	88.21	56.34	66.92	57.15	78.91	67.12
Equity bargains total	—	15,164	11,657	13,343	12,413	12,822	12,350

10 am 467.3. 11 am 468.3. Noon 468.2. 1 pm 468.5. 2 pm 469.0. 3 pm 468.4

Latest Index 01-246 8026.

*Nil = 7.84.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. Ex $ premium index started June 1972. SE Activity July-Dec. 1942.

HIGHS AND LOWS

—	1978/9 High	1978/9 Low	Since Compilat'n High	Since Compilat'n Low
Govt Secs.	78.58 (5/1/78)	65.80 (2/2/79)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int	81.27 (9/1/78)	67.21 (2/2/79)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	535.5 (14/9/78)	433.4 (2/3/78)	549.2 (14/9/77)	49.4 (26/6/40)
Gold Mines	206.6 (14/8/78)	124.1 (28/11/78)	442.3 (22/5/75)	43.5 (26/10/71)
Gold Mines (Ex-$ pm).	132.3 (14/8/78)	90.3 (18/4/78)	337.1 (3/4/74)	54.3 (20/6/76)

S.E. ACTIVITY

	Feb. 2	Feb. 1
Daily		
Gilt Edged	120.6	121.9
Industrials	171.1	139.6
Speculative	51.4	55.3
Totals	110.1	92.9
5-d'y Av'r'ge		
Gilt Edged	127.6	128.8
Industrials	152.0	142.9
Speculative	50.4	50.6
Totals	100.5	96.1

OPTIONS

DEALING DATES

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Jan. 23	Feb. 5	Apr. 19	May 1
Feb. 6	Feb. 19	May 3	May 15
Feb. 20	Mar. 5	May 17	May 30

For rate indications see end of Share Information Service

Money was given for the call in English Property, Mills and Allen, Bank and Commercial, Blue Circle, MFI, EMI, GEC, Bolton Textile, F.N.F.C., Bentalls and Town and City Properties. No puts were reported, while doubles were dealt in Burmah, MFI, Dixons Photographic, J. Bibby, P. & O., Baker Perkins and UDT.

NEW HIGHS AND LOWS FOR 1978/9

The following securities quoted by the Share Information Service yesterday attained new Highs and Lows for 1978-79.

NEW HIGHS (107)

AMERICANS (2)
CANADIANS (1)
BANKS (2)
BUILDINGS (4)
DRAPERY AND STORES (5)
ELECTRICALS (5)
ENGINEERING (9)
FOODS (2)
HOTELS (2)
INDUSTRIALS (14)
LEISURE (1)
MOTORS (4)
NEWSPAPERS (1)
PAPER AND PRINTING (1)
PROPERTY (30)
SHIPPING (1)
SHOES (2)
SOUTH AFRICANS (1)
TEXTILES (2)
TRUSTS (5)
OVERSEAS TRADERS (3)
RUBBERS (1)
MINES (9)

NEW LOWS (90)

BRITISH FUNDS (59)

Treasury 10½pc 1979, Electric 3½pc 76-79, Treasury 9½pc 1980, Exch. 3pc 1981, Exch. 12¾pc 1981, Treas. 8½pc 80-82, Treasury 3pc 1982, Treasury 14pc 1982, Treasury 8¼pc 1982, Exch. 9¼pc 1982, Exch. 8¾pc 1983, Treasury 12pc 1983, Treasury 9½pc 1983, Exch. 10pc 1983, Treasury 13¼pc 1993, Treasury 14½pc 1994, Exch. 12½pc 1994, Treasury 9pc 1994, Treasury 12pc 1995, Gas 3pc 1990-95, Exch. 10¼pc 1995, Treasury 12¾pc 1995, Treasury 9pc 92-96, Treasury 15¼pc 1996, Exch. 13¼pc 1996, Treasury 13¼pc 1997, Exch. 10½pc 1997, Treasury 8¾pc 1997, Funding 5½pc 82-84, Exch. 12½pc 1985, Treasury 8¼pc 84-86, Funding 6½pc 85-87, Treasury 7¾pc 85-88, Transpt. 3pc 78-88, Treasury 5pc 86-89, Treasury 13pc 1990, Treasury 8¼pc 87-90, Treasury 11¾pc 1991, Funding 5¾pc 87-91, Treasury 12¾pc 1992, Treasury 10pc 1992, Exch. 12¼pc 1992, Treasury 12½pc 1993, Funding 6pc 1993, Treasury 6¾pc 95-98, Treasury 15½pc 1998, Exch. 12pc 1998, Treasury 9½pc 1999, Treasury 10½pc 1999, Exch. 12pc 99-02, Funding 3½pc 99-04, Treasury 12½pc 03-5, Treasury 8pc 02-06, Treasury 5½pc 08-12, Treasury 7¾pc 12-15, Exch. 12pc 13-17, Consols 4pc, War Loan 3½pc, Treasury 3pc 66 Aft.

CORPORATION LOANS (10)

GLC 12½pc 1983, Glasgow 9¼pc 80-82, Liverpool 9¼pc 80-4, Liverpool 3½pc Ird., Lon. Cp. 6½pc 80-82, LCC 5½pc 1977-81, LCC 5½pc 1982-84, LCC 5½pc 1985-87, LCC 6¾pc 1988-90, Warwick 12½pc 1980

LOANS (10)

Agric. Mt. 5pc 59-89, Alcan 10½pc 89-94, Met. Wtr. 3pc B, FFI 14pc 1983, ICFC 10½pcUsLn. 86, ICFC 11pcUsLn. 88, ICFC 11¼pcUsLn. 90, ICFC 7¼pcADb 89-92, ICFC 7¾pcADb 91-4, ICFC 8¼pcLn. 92-97

FOREIGN BONDS (1)

Ireland 9¼pc 91-96

BANKS (1)

Midland 10¼pc 1993-98

BUILDINGS (1)

Costain Dfd.

STORES (1)

Dixons Photo.

ENGINEERING (2)

GKN, Renold

INDUSTRIALS (1)

Gomme

INSURANCE (2)

Moran (C.), Stenhouse

PAPER (1)

Brunning Res. Vtg.

TEXTILES (1)

Courtaulds 7pcDb. 82-7

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	On the Week Up	On the Week Down	On the Week Same
British Funds	—	75	5	20	255	125
Cpn. Dom. and Foreign Bonds	—	36	28	30	58	232
Industrials	457	149	913	2,124	861	4,610
Financial and Prop.	209	27	272	844	201	1,496
Oils	9	4	25	51	28	111
Plantation	14	—	18	57	8	95
Mines	70	19	50	265	138	291
Recent Issues	12	5	10	43	23	66
Totals	771	315	1,321	3,435	1,572	7,026

YESTERDAY— ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1978-79 high	1978-79 low
BP	£1	14	926	+12	954	720
Shell Transport	25p	12	588	+10	602	484
BATs Defd.	25p	9	282	+ 6	304	227
Guthrie Corp.	£1	9	435	—	450	211
ICI	£1	9	355	− 1	421	328
RTZ	25p	9	278	− 2	280	164
Distillers	50p	8	210	+ 2	215	163
HK & Shanghai	$HK2.50	8	300	—	360	203
Caledonian	25p	7	88	+ 4	88	68
Imperial Group	25p	7	88	+ 1	89	71½
Intreuropn. Prop.	10p	7	52	+ 4	52	25
Sotheby P.B.	25p	7	387	− 6	393	175
Ultramar	25p	7	232	+ 4	284	182
Beecham	25p	6	615	—	726	581
Bolton Textile	5p	6	22	− 2	24	10

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1978-79 high	1978-79 low
Shell Transport	25p	64	588	+26	602	484
BP	£1	61	926	+30	954	720
RTZ	25p	49	278	+30	280	164
ICI	£1	46	355	+ 2	421	328
BATs Defd.	25p	44	282	+29	304	227
Beecham	25p	42	615	+10	726	581
Distillers	50p	37	210	+ 3	215	163
Grand Met.	50p	37	119½	+ 5	121	87
Reed Intl.	£1	36	163	+10	183	102
GEC	25p	34	324	+ 4	349	233
Royal Insurance	25p	34	350	+17	425	333
Trust Hses. Forte	25p	34	268	+ 7	270	166
Barclays Bank	£1	33	383	+ 6	398	296
Glaxo	50p	33	480	− 3	648	478
Marks & Spencer	25p	33	87	+ 2	94	67½

BASE LENDING RATES

A.B.N. Bank	12½%	■ Hambros Bank	12½%
Allied Irish Banks Ltd.	12½%	■ Hill Samuel	§12½%
Amro Bank	12½%	C. Hoare & Co.	†12½%
American Express Bk.	12½%	Julian S. Hodge	13½%
A P Bank Ltd.	12½%	Hongkong & Shanghai	12½%
Henry Ansbacher	12½%	Industrial Bk. of Scot.	12½%
Associates Cap. Corp.	12½%	Keyser Ullmann	12½%
Banco de Bilbao	12½%	Knowsley & Co. Ltd.	14½%
Bank of Credit & Cmce.	12½%	Lloyds Bank	12½%
Bank of Cyprus	12½%	London Mercantile	12½%
Bank of N.S.W.	12½%	Edward Manson & Co.	13½%
Banque Belge Ltd.	12½%	Midland Bank	12½%
Banque du Rhone et de la Tamise S.A.	13 %	■ Samuel Montagu	12½%
Barclays Bank	12½%	■ Morgan Grenfell	12½%
Bremar Holdings Ltd.	13½%	National Westminster	12½%
Brit. Bank of Mid. East	12½%	Norwich General Trust	12½%
■ Brown Shipley	12½%	P. S. Refson & Co.	12½%
Canada Perm't Trust	12½%	Rossminster	12½%
Cayzer Ltd.	12½%	Royal Bk. Canada Tst.	12½%
Cedar Holdings	12½%	Schlesinger Limited	12½%
■ Charterhouse Japhet	12½%	E. S. Schwab	13½%
Choulartons	12½%	Security Trust Co. Ltd.	13½%
C. E. Coates	12½%	Shenley Trust	14 %
Consolidated Credits	12½%	Standard Chartered	12½%
Co-operative Bank	*12½%	Trade Dev. Bank	12½%
Corinthian Securities	12½%	Trustee Savings Bank	12½%
Credit Lyonnais	12½%	Twentieth Century Bk.	13½%
Duncan Lawrie	12½%	United Bank of Kuwait	12½%
The Cyprus Popular Bk.	12½%	Whiteaway Laidlaw	13 %
Eagil Trust	12½%	Williams & Glyn's	12½%
English Transcont.	12½%	Yorkshire Bank	12½%
First Nat. Fin. Corp.	14 %		
First Nat. Secs. Ltd.	14 %		
■ Antony Gibbs	12½%		
Greyhound Guaranty	12½%		
Grindlays Bank	12½%		
■ Guinness Mahon	12½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 10%, 1-month deposits 10¼%.
† 7-day deposits on sums of £10,000 and under 10%, up to £25,000 10¼%, and over £25,000 10¾%.
‡ Call deposits over £1,000 10%.
§ Demand deposits 10%.

LONDON TRADED OPTIONS

Option	Ex'rc'se price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP	850	98	—	117	1	133	—	929p
BP	900	56	20	80	—	100	—	"
BP	950	35	48	50	10	69	15	"
BP	1000	7	107	25	—	—	—	"
Com Union	130	20	20	22	—	—	—	147p
Com Union	140	12	5	16	3	19	—	"
Com Union	160	3½	18	6	—	9	—	"
Cons Gold	180	26	11	29	—	37	14	200p
Cons Gold	200	10½	58	17	1	25	—	"
Courtaulds	120	3½	—	6	1	8½	—	111p
GEC	300	37	4	50	—	56	—	325p
GEC	330	16	5	30	—	38	—	"
ICI	360	12½	8	25	6	31	5	357p
ICI	420	1½	10	5½	—	—	—	"
Land Secs	240	24	—	31	7	39	—	258p
Land Secs	260	9	10	18	15	25	—	"
Marks & Sp	80	11	—	13½	15	17	—	87p
Marks & Sp	100	1½	31	—	—	—	—	"
Shell	550	52	21	65	—	77	—	593p
Shell	600	12½	75	33	—	42	—	"
Totals			426		58		34	
		February		**May**		**August**		
BOC Intl.	60	10½	4	13½	1	14½	—	70p
Boots	180	14	2	23	—	24	—	191p
Boots	200	1½	16	10	1	13	—	"
EMI	140	2½	10	9	—	12	—	156p
EMI	160	1½	—	5	7	6	—	"
Imperial Gp	80	8½	2	9	—	10	—	88p
RTZ	260	21	6	35	30	40	4	278p
RTZ	280	7	55	23	48	27	10	"
Totals			94		78		14	

RECENT ISSUES

EQUITIES

Issue Price p:	Amount Paid Up	Latest Renunc. Date	1978/79 High	1978/79 Low	Stock	Closing Price p:	+ or −	Div.	Amount	Times Covered	Gross Yield	P/E Ratio
¶60	F.P.	—	67	59	Arlen Electrical	57	......	h4.5		1.9	10.7	7.6
A$0.50	F.P.	—	87	81	Ashton Mining 50c	80	+2	—		—	—	—
65	F.P.	—	87	68	Caledonian Hldgs.	88	+5	b4.75		2.5	8.1	7.4
—	F.P.	—	30	27	Gosforth Ind. 10p	28	−1	2.0		—	10.7	—
185	F.P.	10/1	187	170	Harris Queensw'y20p	182	+1	t7.8		3.1	6.4	7.6
**	F.P.	16/2	132	118	Hunting Assoc. Defd.	130	+7	—		—	—	—
—	F.P.	—	104	89	¶¶IAS Cargo Airlines	104	+3	P2.8		3.7	4.0	(11.3)
**	F.P.	9/2	34	31	M. Y. Dart Defd.	31	......	—		—	—	—
110	F.P.	17/1	136	115	Mill'ttsL's'reShps20p	131	......	bd5.7		1.8	6.6	12.8

FIXED INTEREST STOCKS

Issue Price	Am'unt Paid up	Latest Renunc. Date	1978/79 High	1978/79 Low	Stock	Closing Price	+ or −
**	F.P.	16/2	109p	105p	Assoc. Dairies 9¾% Pref.	105p	......
*	F.P.	26/1	100	89¼	Colne Valley Water 8% Red Prf 1983	100¼	......
£100p	F.P.	28/12	100½p	98p	Findlay 8% Cnv. Cum. Red. Prf.	98p	......
£100	F.P.	5/1	128	102	Hawley-Leisure 12% Cnv. Uns. Ln. '86-88	128	+3
—	F.P.	—	138p	116p	¶¶IAS Cargo Airlines 6% Cnv. Pref. £1	138p	+4
*	F.P.	1/3	101¼	101	Mid Kent Water 8% Pref. 1984	101¼	......
100p	F.P.	11/1	107p	100½p	Rivington Reed 9½% Cnv. Cum. Red. Pref.	105p	......
97½p	F.P.	5/1	99p	97p	Seascope 10¼% Pref.	97p	−½
**			98p	96p	Shaw Carpets 10% 2nd Cum. Pref. £1	98p	......

"RIGHTS" OFFERS

Issue Price p:	Am'unt Paid up	Latest Renunc. Date ●	Latest Renunc. Date ■	1978/9 High	1978/9 Low	Stock	Closing price p:	+ or −
60	F.P.	19/1	19/2	78	67	Associated Biscuit	76	−1
125	Nil	—	—	45pm	29pm	Baker Perkins	43pm	+3
C$21½	Nil	—	—	$28pm	$18pm	Bank of Nova Scotia	$18pm	......
45	F.P.	8/12	9/2	58½	47	Foster (John)	53	−1
220	Nil	—	—	35pm	18pm	Haslemere Estates	34pm	+5
105	Nil	—	7/2	25pm	19pm	Neil & Spencer	25pm	+4
20c	Nil	—	—	35pm	24pm	Poseidon	26pm	−1
10	F.P.	22/1	23/2	17½	14½	Sutor Electrical Defd.	17	+1
18	Nil	—	—	8pm	5pm	Swan Ryan Intl.	7¾pm	+1½
28	F.P.	10/1	9/2	38	34	York Fine Woollen	37½	......

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. a Assumed dividend and yield. u Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. || Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take-over. ||| Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section

	EQUITY GROUPS & SUB-SECTIONS	Fri., Feb. 2, 1979 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 33%)	Est. P/E Ratio (Net)	Thurs., Feb. 1 Index No.	Wed., Jan. 31 Index No.	Tues., Jan. 30 Index No.	Mon., Jan. 29 Index No.	Year ago (approx.) Index No.	1978-79 High	1978-79 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (172)	232.60	+0.2	17.37	5.66	7.87	232.04	230.71	230.04	228.71	200.06	256.28 (14/9/78)	188.95 (2/3/78)	256.28 (14/9/78)	50.71 (13/12/74)
2	Building Materials (28)	206.85	+0.3	18.49	6.34	7.42	206.19	202.94	203.13	201.97	188.27	226.68 (22/8/78)	166.30 (3/3/78)	233.04 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (28)	349.73	−0.1	22.14	5.17	6.49	350.03	348.80	347.65	345.98	320.08	419.51 (14/9/78)	289.35 (6/3/78)	419.51 (14/9/78)	71.48 (2/12/74)
4	Electricals (15)	545.84	+0.1	14.10	3.48	9.71	545.15	544.21	540.28	534.33	425.98	583.72 (10/10/78)	404.47 (2/3/78)	583.72 (10/10/78)	84.71 (25/6/62)
5	Engineering Contractors (12)	360.49	+0.4	18.64	6.28	7.25	358.99	356.03	354.70	353.92	285.16	384.53 (18/9/78)	270.95 (6/3/78)	384.53 (18/9/78)	64.39 (2/1/75)
6	Mechanical Engineering (73)	181.09	+0.3	18.31	6.13	7.29	180.50	179.73	179.21	178.89	157.67	204.75 (14/9/78)	149.87 (2/3/78)	204.75 (14/9/78)	45.43 (6/1/75)
8	Metals and Metal Forming (16)	161.34	+0.3	17.25	8.91	8.06	160.81	160.15	160.53	159.71	161.41	182.91 (18/9/78)	154.22 (27/2/78)	182.91 (18/9/78)	49.65 (6/1/75)
	CONSUMER GOODS														
11	(DURABLE) (53)	206.98	+0.6	17.04	5.23	7.85	205.83	204.74	205.16	203.06	183.99	226.55 (13/9/78)	173.63 (3/3/78)	227.78 (21/4/72)	38.39 (6/1/75)
12	Lt. Electronics, Radio, TV (16)	266.01	+1.0	14.24	3.93	9.87	263.33	261.81	262.08	259.36	220.89	280.21 (13/9/78)	209.01 (3/3/78)	280.21 (13/9/78)	42.85 (13/12/74)
13	Household Goods (12)	166.08	+0.7	18.20	7.00	7.56	164.86	164.88	165.55	164.12	171.10	190.17 (14/9/78)	160.54 (6/3/78)	263.22 (4/5/72)	63.92 (17/12/74)
14	Motors and Distributors (25)	115.94	−0.3	22.07	7.30	5.69	116.32	115.60	116.08	114.87	112.00	135.65 (22/8/78)	104.68 (2/3/78)	170.59 (15/1/69)	19.91 (6/1/75)
	CONSUMER GOODS														
21	(NON-DURABLE) (170)	212.02	+0.4	16.45	6.09	8.02	211.12	209.74	208.78	206.83	188.82	228.23 (14/9/78)	179.46 (2/3/78)	228.23 (14/9/78)	61.41 (13/12/74)
22	Breweries (14)	230.04	+0.2	16.60	6.53	7.64	229.67	229.90	230.13	228.56	210.98	241.57 (8/5/78)	204.04 (27/2/78)	281.87 (28/11/72)	69.47 (13/12/74)
23	Wines and Spirits (6)	298.58	+0.8	15.56	4.99	9.44	296.09	294.92	296.09	294.16	238.98	301.24 (14/9/78)	229.85 (2/3/78)	301.24 (14/9/78)	78.88 (13/12/74)
24	Entertainment, Catering (17)	279.26	+0.2	15.68	6.78	8.44	278.73	277.11	274.97	273.15	242.66	281.53 (14/9/78)	219.62 (2/3/78)	309.97 (12/12/72)	54.83 (9/1/75)
25	Food Manufacturing (19)	199.24	—	18.86	5.88	7.07	199.16	196.82	195.90	194.51	186.69	223.85 (14/9/78)	175.37 (27/2/78)	223.85 (14/9/78)	59.67 (11/12/74)
26	Food Retailing (15)	233.87	+0.2	13.80	5.03	9.85	233.36	230.02	228.48	227.07	181.73	237.92 (14/9/78)	176.53 (3/3/78)	244.41 (27/10/77)	54.25 (11/12/74)
32	Newspapers, Publishing (12)	381.34	—	21.50	6.41	6.60	381.48	381.21	381.08	379.19	322.82	421.75 (14/9/78)	269.59 (2/3/78)	421.75 (14/9/78)	55.08 (6/1/75)
33	Packaging and Paper (15)	137.36	−0.7	18.37	7.67	7.12	138.36	136.43	136.60	133.55	124.72	155.65 (14/9/78)	119.11 (15/2/78)	155.65 (14/9/78)	43.46 (6/1/75)
34	Stores (40)	194.05	+0.3	12.54	4.91	11.44	193.56	192.56	191.54	190.74	175.49	218.54 (13/9/78)	165.17 (2/3/78)	218.54 (13/9/78)	52.63 (6/1/75)
35	Textiles (23)	178.90	+1.3	18.02	8.38	7.19	176.55	175.98	175.81	174.63	169.80	191.98 (12/5/78)	160.85 (2/3/78)	235.72 (17/1/67)	62.66 (11/12/74)
36	Tobaccos (3)	253.05	+1.9	22.52	7.80	5.20	248.40	247.02	243.53	236.46	221.21	266.50 (23/8/78)	214.88 (15/2/78)	339.16 (2/8/72)	94.34 (13/6/62)
37	Toys and Games (6)	93.90	+1.0	23.63	6.92	4.99	92.95	91.62	90.67	90.44	97.76	125.21 (14/9/78)	88.91 (24/1/79)	135.72 (16/1/70)	20.92 (6/1/75)
41	OTHER GROUPS (99)	195.62	—	15.80	6.39	8.14	195.55	194.80	193.73	192.20	182.69	223.24 (14/9/78)	173.08 (3/3/78)	223.24 (14/9/78)	58.63 (6/1/75)
42	Chemicals (19)	276.03	−0.1	16.12	6.85	8.08	276.23	275.94	274.48	271.57	245.10	315.28 (14/9/78)	238.69 (2/3/78)	315.28 (14/9/78)	71.20 (1/12/74)
43	Pharmaceutical Products (7)	239.88	—	11.58	4.05	10.46	239.95	239.05	236.23	234.91	242.73	291.13 (14/9/78)	228.41 (3/3/78)	291.13 (14/9/78)	228.41 (3/3/78)
44	Office Equipment (6)	129.34	+1.4	16.83	6.23	7.23	127.57	127.27	126.76	125.10	124.19	150.75 (13/9/78)	117.48 (3/3/78)	246.06 (1/9/72)	45.34 (2/1/75)
45	Shipping (10)	420.39	−0.2	14.39	7.23	8.82	421.42	424.43	426.74	425.98	449.68	483.01 (6/1/78)	393.90 (20/11/78)	539.68 (18/5/77)	98.80 (29/6/62)
46	Miscellaneous (57)	214.02	—	18.13	6.73	7.28	214.11	212.16	211.28	209.82	193.47	236.56 (14/9/78)	178.47 (3/3/78)	258.83 (2/5/72)	60.39 (6/7/75)
49	INDUSTRIAL GROUP (494)	219.54	+0.3	16.57	5.99	8.00	218.90	217.67	216.83	215.06	196.13	241.43 (14/9/78)	186.02 (2/3/78)	241.43 (14/9/78)	59.01 (13/12/74)
51	Oils (6)	522.20	+1.5	13.37	3.86	8.13	514.41	509.53	505.48	499.78	429.70	533.26 (6/12/78)	417.98 (2/3/78)	543.20 (15/9/77)	87.23 (29/5/62)
59	500 SHARE INDEX	244.57	+0.5	16.07	5.65	8.02	243.40	241.89	240.79	238.71	215.78	265.03 (14/9/78)	205.42 (2/3/78)	265.03 (14/9/78)	63.49 (13/12/74)
61	FINANCIAL GROUP (115)	172.73	+0.4	—	5.64	—	172.12	170.31	169.49	168.18	160.17	179.39 (9/8/78)	153.85 (27/2/78)	241.41 (11/4/72)	55.88 (13/12/74)
62	Banks (6)	206.01	−0.5	22.87	5.72	6.55	207.12	204.61	204.70	203.11	180.07	212.44 (16/1/79)	171.58 (27/2/78)	288.32 (20/7/72)	62.44 (12/12/74)
63	Discount Houses (10)	210.57	−0.5	—	8.67	—	211.59	210.78	209.28	209.28	201.10	228.33 (4/1/78)	185.20 (13/4/78)	293.13 (2/5/72)	81.40 (10/12/74)
64	Hire Purchase (5)	164.99	+0.2	19.37	5.30	6.62	164.61	165.44	164.63	162.75	159.17	170.55 (12/1/78)	136.39 (16/11/78)	433.74 (4/5/72)	38.83 (11/12/74)
65	Insurance (Life) (10)	132.76	+0.6	—	7.08	—	131.97	131.77	131.63	131.18	137.01	157.59 (9/8/78)	124.97 (17/4/78)	194.46 (15/3/72)	44.88 (2/1/75)
66	Insurance (Composite) (7)	122.20	+1.0	—	7.17	—	121.01	119.78	118.37	118.19	124.13	143.46 (6/1/78)	115.15 (9/11/78)	161.72 (6/10/77)	43.96 (13/12/74)
67	Insurance Brokers (10)	309.72	−0.1	15.41	5.48	9.26	309.96	304.94	301.23	298.43	302.48	372.27 (11/8/78)	293.74 (24/1/79)	372.27 (11/8/78)	65.86 (16/12/74)
68	Merchant Banks (14)	80.19	−0.9	—	6.12	—	80.95	79.76	79.72	79.55	77.90	87.48 (15/9/78)	71.00 (27/2/78)	178.57 (1/5/72)	31.21 (7/1/75)
69	Property (43)	284.24	+0.9	3.72	2.86	43.05	281.82	278.14	276.66	271.30	234.11	284.24 (2/2/79)	210.03 (14/4/78)	357.40 (9/11/73)	56.01 (20/4/65)
70	Miscellaneous (10)	115.62	+2.0	19.35	6.82	6.41	113.41	112.79	112.61	113.17	104.36	117.64 (23/8/78)	99.61 (27/2/78)	303.18 (18/5/72)	33.29 (17/12/74)
71	Investment Trusts (111)	213.88	+0.6	—	4.98	—	212.59	211.75	211.25	210.92	182.87	243.92 (10/8/78)	176.48 (6/3/78)	245.79 (25/4/72)	71.63 (13/12/74)
81	Mining Finance (4)	119.06	−1.0	15.79	5.98	7.80	120.29	117.73	116.22	114.29	87.24	120.29 (1/2/79)	85.39 (6/3/78)	175.90 (29/4/69)	66.31 (30/9/74)
91	Overseas Traders (20)	324.47	+0.2	15.12	7.36	8.34	323.88	323.28	322.12	319.37	269.31	337.68 (8/9/78)	262.26 (2/3/78)	337.68 (8/9/78)	97.37 (6/1/75)
99	ALL-SHARE INDEX (750)	226.17	+0.4	—	5.65	—	225.20	223.62	222.60	220.77	199.86	242.30 (14/9/78)	191.15 (2/3/78)	242.30 (14/9/78)	61.92 (13/12/74)

FIXED INTEREST PRICE INDICES

	British Government	Fri., Feb. 2	Day's change %	xd adj. today	xd adj. 1979 to date
1	Under 5 years	101.29	−0.17	—	0.76
2	5-15 years	105.50	−0.39	—	0.89
3	Over 15 years	108.97	−0.44	—	1.37
4	Irredeemables	117.62	−0.36	—	0.90
5	All stocks	105.13	−0.32	—	0.99

FIXED INTEREST YIELDS — Br. Govt. Av. Gross Red.

			Fri., Feb. 2	Thurs., Feb. 1	Year ago (approx.)	1978-79 Highs	1978-79 Lows
1	Low Coupons	5 years	10.45	10.36	7.75	[illegible]	[illegible]
2		15 years	12.26	12.10	[illegible]	[illegible]	[illegible]
3		25 years	12.98	12.90	[illegible]	[illegible]	[illegible]
4	Medium Coupons	5 years	13.46	13.35	[illegible]	[illegible]	[illegible]
5		15 years	13.65	13.56	[illegible]	[illegible]	[illegible]
6		25 years	13.84	13.78	[illegible]	[illegible]	[illegible]
7	High Coupons	5 years	13.60	13.58	[illegible]	[illegible]	[illegible]
8		15 years	14.18	14.15	[illegible]	[illegible]	[illegible]
9		25 years	14.18	14.18	[illegible]	[illegible]	[illegible]
10	Irredeemables		12.61	12.55	[illegible]	[illegible]	[illegible]

		Fri., Feb. 2 Index No.	Yield %	Thur. Feb. 1	Wed. Jan. 31	Tues. Jan. 30	Mon. Jan. 29	Fri. Jan. 26	Thur. Jan. 25	Wed. Jan. 24	Year ago (approx.)	1978/79 Highs	1978/79 Lows	Since Compilation Highs	Since Compilation Lows
15	20-yr. Red. Deb. & Loans (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
16	Investment Trust Prefs. (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
17	Coml. and Indl. Prefs. (20)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Pharmaceutical Products	30/12/77	261.77	Industrial Group	31/12/70	128.20
Other Groups	31/12/74	63.75	Miscellaneous Financial	31/12/70	128.06
Overseas Traders	31/12/74	100.00	Food Manufacturing	29/12/67	114.13
Engineering Contractors	31/12/71	153.84	Food Retailing	29/12/67	114.13
Mechanical Engineering	31/12/71	153.84	Insurance Brokers	29/12/67	96.67
Wines and Spirits	[illegible]	[illegible]	Mining Finance	29/12/67	100.00
Toys and Games	16/1/70	135.72	All Other	10/4/62	100.00
Office Equipment	16/1/70	128.20			

†Redemption yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4; price 13p, by post 22p. A fortnightly record of group and sub-section indices, dividend yields and earnings yields since 1962, with quarterly highs and lows of the indices, is obtainable from FT Business Enterprises, 10, Bolt Court, London, EC4, at £10 per copy.

هكذا من الأصل

AUTHORISED UNIT TRUSTS

Emson & Dudley Tst. Mngmnt. Ltd.
20, Arlington St., S.W.1. 01-499 7551

Emson Dudley Tst.	68.3	73.4	.....	7.00

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	68.4	71.9	+0.5	4.34

CORAL INDEX: Close 464-469

INSURANCE BASE RATES

†Property Growth	12%
†Vanbrugh Guaranteed	12.12%

†Address shown under Insurance and Property Bond Table.

INSURANCE AND PROPERTY BONDS

OFFSHORE AND OVERSEAS FUNDS

46th Floor, Connaught Centre, Hong Kong

Jardine Estn. Tst.	HK$291.89	.....	2.60
Jardine J'pn.Fd.*	HK$415.66	.....	0.30
Jardine S.E.A.	$US17.59	.....	2.00
Jardine Flem.Int.	HK$12.02	.....	—
Intl.Pac.Secs.(Inc.)	HK$13.67	.....	—
Do. (Accum.)	HK$13.86	.....	—

NAV Jan. 15. *Equivalent US$87.38.
Next sub. day January 31.

T.M.T. Ltd. Jan. 11	£10.57	10.84	.....	1.26

World Wide Growth Management⊕
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$US15.93	-0.16	—

Wren Commodity Trust
10, St. George's St., Douglas IoM 0624 25015

Wren Commod. Tst.	111.7	112.8	+9.6	—

NOTES

Prices do not include $ premium, except where indicated ✦, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ⊕. § Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies.

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[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

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CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

1978-79 High	Low	Stock	Price £	+ or —	Div. % Gross	Red. Yield
24	17	Antofagasta Rly.	22	......	—	—
41	33	Do. 5pc Pref.	40	......	—	—
98	98	Chilean Mixed	98	......	—	f3.10
22	6	Chinese 4½pc 1898	19½	......	—	—
35	4½	Do. 5pc 1912	31	......	—	—
20½	4½	Do. 5pc 1925 Boxer	18½	......	—	—
415	350	German Yng. 4½pc.	415	......	4½	—

BONDS & RAILS—Cont.

[illegible]

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

[illegible]

S.E. List Premium 49⅝% (based on US$1.9795 per £)
Conversion factor 0.6688 (0.6729)

CANADIANS

[illegible]

S.E. List Premium 49⅝% (based on $2.3747 per £)

BANKS AND HIRE PURCHASE

[illegible]

1978-79 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's	P/E
3	½	Do. Wrnts. 75-83	2½	......	—	—	—	—
14½	9½	Fraser Ans. 10p	14	......	—	—	—	—
199	157	Gerrard Natnl.	185	......	g9.12	—	7.4	—
59	37	Gibbs (A.)	47	......	2.23	—	7.1	—
255	195	Gillett Bros. £1.	220	......	15.41	—	10.5	—
29	19	Goode D't Mry.5p	20	+½	0.13	—	0.9	—
142	96	Grindlays	129	......	2.79	7.1	3.2	4.6
130	93	Guinness Peat	115	-4	H5.67	—	7.5	—
217	155	Hambros	187	+3	†9.76	—	7.8	—
100	81	Hill Samuel	82	......	†4.97	—	9.1	—
600	63	Do. Warrants	63	-2	—	—	—	—
360	203	Hong Shng.$2.50	308	+8	h059c	—	2.2	—
69	52	Jessel Toynbee	63	......	g3.65	—	8.6	—
215	150	Joseph (Leo) £1	155	......	8.74	—	8.4	—

BANKS & HP—Continued

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICAL AND RADIO

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

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[illegible]

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MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

FAR WEST RAND

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O.F.S.

[illegible]

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

CENTRAL AFRICAN

[illegible]

MINES—Continued

AUSTRALIAN

1978-79 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
157	64	Bougainville 50 Toea	157	......	†Q8c	1.4	3.2
139	63	B.H South 50c	139	......	—	—	—
820	150	Central Pacific	450	......	—	—	—
336	148	Conzinc Riotinto 50c.	308	+4	‡Q10c	2.2	‡
32	19	Cultus Pacific N.L.	27	......	—	—	—
27	9½	Endeavour 20c	19	......	—	—	—
82	45	G.M. Kalgoorlie $1.	74	−1	—	—	—
68	18	Haoma Gold N.L.	36	......	—	—	—
158	81	Hamptn Areas 5p.	152#	......	♦3.55	2.0	3.5
40	10	Metals Ex. 50c	34	......	—	—	—
275	125	M.I.M. Hldgs. 50c	275	+8	†Q9c	1.7	2.0
22	10	Minefields Expl.	15	......	—	—	—
74	10	Mount Lyell 25c	72	−2	—	—	—
56	12	Newmetal 20c	26	−2	—	—	—
143	79	North B. Hill50c	137	+9	Q8c	1.3	3.6
16½	8½	Nth. Kalgurli	14½	......	—	—	—
50	12	Nth. West Mining	29	......	—	—	—
178	115	Oakbridge SA1	136	+3	Q12c	1.9	9.5
42	10	Oilmin N. L.	30	......	—	—	—
102	30	Pacific Copper	102	+2	—	—	—
£15½	725	Pancont'l 25c	925	......	—	—	—
40	12	Paringa M&Ex.5p	24	+1½	—	—	—
570	310	Peko-Wallsend 50c.	490	+12	Q15c	3.3	1.9
300	50	Southern Pacific	180	+5	—	—	—
165	84	Westn. Mining 50c.	165	......	Q3c	0.7	1.1
100	35	Whim Creek 20c.	60	......	—	—	—

TINS

30	23	Amal. Nigeria	25	......	2.81	1.3	16.8
435	240	Ayer Hitam $M1	425	......	Q300c	0.5	15.2
60	45	Beralt Tin	52	......	4.0	♦	11.5
305	190	Berjuntai $M1	270	+5	†Q110c	1.0	9.5
185	111	Geevor	145	......	H5.57	5.8	5.7
11	8½	Gold & Base 12½p	9	......	—	—	—
350	220	Gopeng Cons.	310xd	......	18.0	♦	8.7
320	130	Hongkong	300	......	12.5	♦	6.2
93	64	Idris 10p	68xd	......	‡12.0	1.6	‡
11	7	Jantar 12½p	9½	......	—	—	—
84	63	Kamunting $M0.50.	76	......	†Q12.5c	2.1	3.5
255	133	Killinghall $M1	245	......	—	—	—
470	280	Malay Dredging $M1	445	+5	Q175c	0.7	8.4
78	40	▵Pahang	57	......	—	—	—
78	50	Pengkalen 10p	63xd	......	4.5	♦	10.7
270	165	Petaling $M1	230	+5	Q120c	♦	11.2
87	49	Saint Piran	77	......	†2.03	6.5	3.9
70	47	South Crofty 10p	57	+1	†4.19	2.0	11.0
245	140	South Kinta $M0.50	195	+5	†Q145c	0.6	16.0
370	230	Sthn Malayan $M1	370	+5	Q190c	1.0	22.0
245	134	Sungei Besi $M1	245	......	mQ65c	5.3	5.7
85	55	Supreme Corp. $M1	75	......	ZQ10c	—	2.9
103	84	Tanjong 15p	103	......	6.60	0.8	9.8
270	148	Tronoh $M1	250	......	†Q88c	1.6	‡

COPPER

104	54	Messina R0.50	97	+1	—	—	—

MISCELLANEOUS

74	35	Barymin	70	+1	—	—	—
17	9	Burma Mines 17½p	12	......	—	—	—
305	165	Cons. Murch. 10c.	305	+10	—	—	—
465	245	Northgate C$1	410	+10	—	—	—
280	164	R.T.Z.	278	−2	9.5	2.8	5.1
90	30	Sabina Inds. C$1	58	+10	—	—	—
£12	687	Tara Expln. $1	856	+19	—	—	—
217	120	Yukon Cons. C$1	215	−2	Q7c	2.9	1.5

GOLDS EX-$ PREMIUM

London quotations for selected South African gold mining shares in U.S. currency excluding the investment dollar premium. These prices are available only to non-UK residents.

$15¼	$10¼	Buffels R1	$12⅝	+⅛	Q190c	♦	17.3
$11⅞	830c	East Drie R1	$10¼	¼	Q115c	♦	12.9
585c	330c	East Rand Prp. R1	425c	......	Q10c	—	—
$28⅝	$16½	F.S. Geduld 50c	$22½	+½	Q315c	2.4	16.1
$15⅛	975c	Pres. Brand 50c	$12¾	+½	Q150c	3.2	13.5
$13⅜	900c	St. Helena R1	$12¼	+⅝	Q190c	1.4	17.9
486c	313c	Stilfontein 50c	480c	+5	Q66c	2.3	15.8
$22⅛	$16¼	Vaal Reefs 50c	$20½	+¼	Q280c	♦	15.7
$37	$25	West Drie R1	$30½	+½	†Q385c	1.7	14.5
$31¼	$19	West. Hldgs. 50c	$27½	+½	Q415c	1.4	17.3
$13	895c	Western Deep R2	$11¾xd	+⅝	Q147½c	2.4	14.5

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 33 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- ▵ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- †† Unlisted security.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- ♦ Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♣ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. ¶¶ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

"Recent Issues" and "Rights" Page 26

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REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	26	......	Sheffield Brick	51	......
Ash Spinning	108	......	Sheff. Refrshmt	70	......
Bertam	19½	......	Sindall (Wm.)	120	......
Bdg'wtr. Est. 50p	327	+2	**IRISH**		
Clover Croft	28	......			
Craig & Rose £1	615	......	Conv. 9% '80/82	£88⅝	−⅛
Dyson (R. A.) A	35	......	Alliance Gas	109	......
Ellis & McHdy	69	......	Arnott	390	−5
Evered	26	......	Carroll (P.J.)	87	+2
Fife Forge	52	......	Clondalkin	97½	−½
Finlay Pkg. 5p	21	......	Concrete Prods.	145	......
Graig Ship £1	125	......	Heiton (Hldgs.)	50	......
Higsons Brew	70	......	Ins. Corp.	160	......
Holt (Jos) 25p	252	......	Irish Ropes	100	−5
I.O.M. Stm. £1	250	......	Jacob	50	......
Pearce (C. H.)	200	......	T.M.G.	187	......
Peel Mills	24	......	Unidare	88	......

OPTIONS

3-month Call Rates

Industrials		I.C.I.	20	Unilever	35
A. Brew	6½	"Imps"	6	U.D.T.	4
BOC Intl.	6	I.C.L.	40	Utd. Drapery	7½
B.S.R.	8	Inveresk	7	Vickers	25
Babcock	11	KCA	3	Woolworths	5
Barclays Bank	25	Ladbroke	14		
Beecham	32	Legal & Gen.	14	**Property**	
Blue Circle	18	Lex Service	7	Brit. Land	3¼
Boots	15	Lloyds Bank	22	Cap. Counties	4½
Bowaters	14	"Lots"	4	E.P.	3½
B.A.T.	24	London Brick	6	Intereuropean	5
Brown (J.)	33	Lonrho	5	Land Secs.	16
Burton 'A'	16	Lucas Inds.	25	MEPC	12
Cadburys	5	"Mams"	12	Peachey	8
Courtaulds	10	Mrks. & Spncr	7	Samuel Props.	9
Debenhams	8	Midland Bank	25	Town & City	1¼
Distillers	15	N.E.I.	12		
Dunlop	5	Nat. West. Bank	22	**Oils**	
Eagle Star	10	Do. Warrants	10		
E.M.I.	14	P & O Dfd.	7	Brit. Petroleum	45
Gen. Accident	17	Plessey	8	Burmah Oil	8
Gen. Electric	18	R.H.M.	5	Charterhall	2½
Glaxo	40	Rank Org.	28	Shell	28
Grand Met.	7½	Reed Intnl.	12	Ultramar	16
G.U.S. 'A'	20	Spillers	3½		
Guardian	18	Tesco	4	**Mines**	
G.K.N.	22	Thorn	22	Charter Cons.	12
Hawker Sidd.	20	Trust Houses	£18	Cons. Gold	12
House of Fraser	12	Tube Invest.	30	Rio T. Zinc	16

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES
Saturday February 3 1979

MAN OF THE WEEK

Down on the farm

BY MARGARET VAN HATTEM

THEY CALL him Hamlet. Like his legendary compatriot, he takes a long time to make up his mind, often changes it, and always has plenty of plausible reasons for doing so.

In fact, Finn Olav Gundelach, the EEC Farm Commissioner, often seems a lot more like Yorick, especially at the end of an all-night negotiating session with the Community's intransigent farm ministers. He is a perfectionist and drives himself very hard. He also drives his staff extremely hard and will get them to rewrite a speech six times until it strikes exactly the right chord. Not surprisingly, the rapid turnover in his cabinet is grist to the Brussels gossip mill.

Right now, Mr. Gundelach is the man on whom EEC governments depend to keep things quiet on the farm while they try to link their currencies. Heads of government may agree all sorts of things between between themselves, but he is the one who must bring their rebellious agriculture Ministers to heel.

This week, he won the first round. He got the Commission's proposals for a farm price

Finn Olav Gundelach
Bringing rebellious agriculture ministers to heel.

freeze on the table. Next week, he confronts the farm ministers with them. Or rather, any other Commissioner would, but Mr. Gundelach never confronts anyone with anything. He takes them aside for a quiet private chat, and tries to establish common ground. He will do so nine times or more if necessary, in the hope that when the nine are finally brought together, this common ground will somehow coalesce. It rarely does, but he never gives up

One of the most frequent criticisms of Mr. Gundelach is that he is a one-man-band, a juggler who likes to keep all the balls in the air until the last minute and brooks no interference. Farmer and consumer lobbyists, as well as politicians complain that they never know where they are. The Commissioner, they say, is a man who tries to please everyone but who will always, in the end, cut his losses and take what he can get.

"The trouble with you British," Mr. Gundelach once said, "is that you have never understood the commission. It is not a secretariat and will not produce proposals to order. It is the government. The Council of Ministers is merely the senate."

Brave words, but yet to be borne out. His speeches of the past few weeks, warning of farm surpluses near "explosion point" and pointing out that the Community's farmers are doing very nicely and can afford a few losses, are echoes of speeches made this time last year. The result then was an average 7 per cent rise in national prices, with price rises for surplus commodities, a cut in tax on milk production and abandonment of a plan to suspend intervention buying of dairy surpluses.

This year, he is attempting something more ambitious, but more crucial to the functioning of the Community, than any of his peers or predecessors have essayed. A unanimous agreement by the Nine on what the Commission believes to be fundamentally necessary already looks impossible. Will he, as in the past, keep reshaping his proposals until he comes up with an acceptable mix? Or will he be the first Commissioner ever to hold out, and let the ministers stew? And if so, will he be able to get away with it?

Success on his part would certainly strengthen his fellow Commissioners. And success does not necessarily mean a tidy agreement. Like Hamlet, Mr. Gundelach has survived many fencing matches—as Danish Ambassador to the UN in Geneva, to the EEC in Brussels, as Deputy Director General of GATT. Unlike Hamlet, he has quite a few still to go and it is certain that at the end of this particular act, the corpses littering the stage are unlikely to include his own.

Ayatollah steps up the pressure

BY ANDREW WHITLEY AND SIMON HENDERSON IN TEHRAN

AYATOLLAH KHOMEINI, speaking from the converted girls' school in a poor part of Tehran, which is the headquarters of his Islamic revolution, yesterday called on State employees to increase the paralysis in Iran and bring down the Government.

On his first day in Iran after 14 years in exile, the Ayatollah began to get to grips with directing the final stages of a revolution that has already forced the Shah into exile.

Throughout the day he received groups of his adoring followers who have marched in their thousands through the streets of Tehran unhindered by the troops on the second of a three-day dispensation from the declared martial law. In several speeches he made during the day the Ayatollah said that "it was forbidden" to obey the Government and it was hostile propaganda that the people would not be free under an Islamic regime.

In an incident which highlights the conflicting loyalties within the Iranian armed forces two deserting soldiers were carried shoulder-high through the cheering crowds to his presence. Asked why they had deserted, they said: "Because the Ayatollah ordered us to." They said many dozens had done likewise.

Earlier, the Ayatollah Khomeini had said he would not tolerate the execution of 150 air force men believed to be in detention in Tehran after demonstrating in support of him on their bases.

"If one air force officer is killed by the authorities, every one of their members will be punished," he said.

In contrast to the apparent toughness of the Ayatollah's speeches was his continuing failure to announce the long-promised revolutionary council, and continuing resistance to appeals to endorse a head-on collision with the authorities through calls to arms.

There were indications yesterday that he could be preparing for a drawn-out test of will and strength with Dr. Shahpour Bakhtiar the Prime Minister. An aide said confrontations could be avoided if mass resignations from Parliament forced the Prime Minister to resign. He claimed 71 members of the 265-strong Majlis—the lower House of Parliament—had already resigned, and that more resignations from the nine-man regency council appointed by the Shah were already expected.

Acknowledging that an Islamic government established by the Ayatollah could not run without the assistance of the army, the aide said a high-ranking military man would be included in the revolutionary council which would replace Dr. Bakhtiar's administration.

Dr. Bakhtiar, claimed yesterday in an interview with French radio that he still had the complete support of the army. He said that, if asked, he would be ready to bring into his Cabinet ministers who support Ayatollah Khomeini.

The premier must be aware that the only way of avoiding civil war now is by reaching a compromise with the Ayatollah. He said he would do all he could to stop dictatorship returning to Iran.

Details of the Ayatollah's plans may become clearer today when he addresses a news conference.

David Tonge adds: The British Government has not yet attempted to make contact with the Ayatollah. The feeling is that it would be unwise to do so while he bathed in the glare of publicity of recent weeks.

During the Shah's rule, doing business with the Government precluded doing business with the opposition. After the Shah's departure the British view was aparently that the Ayatollah, having been so long neglected and apparently favouring a policy of "neither East nor West." might not take kindly to any approach.

Slight rise in underlying level of reserves

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE UNDERLYING level of Britain's official reserves rose slightly during January, highlighting the strength of sterling in face of renewed fears about inflationary pressures produced by the widespread industrial disputes.

The published total rose by $564m to $16.26bn. But this was after an allocation by the International Monetary Fund of $367m Special Drawing Rights, its own currency unit, and substantial net new borrowing overseas by the UK.

The underlying rise in the reserves was $75m. This reflects the balance of a limited amount of intervention in both directions in thin markets. Foreign currency came in at the beginning and end of the month and the rate was probably supported in mid-January.

The Government yesterday took advantage of this stability to continue its programme of spreading the burden of overseas debt repayment away from the peak years of 1979-84 with the announcement by the Electricity Council of the repayment before the due dates of a $500m syndicated credit. There are no apparent plans for refinancing this loan, though the council is to receive about $200m from the European Investment Bank.

The British authorities are enjoying a fair amount of external flexibility at present in view of the stability of sterling, which in large part reflects a continuing rough balance on current account.

The pound yesterday slipped 10 points to $1.98, while the trade-weighted index finished unchanged at 63.4, less than 1 per cent below its early January level.

The marked revival of the dollar over the last week was maintained yesterday with small gains against several currencies apart from the Japanese yen. This strength has been reflected in market reports both of intervention by the Bank of Japan and the West German Bundesbank to hold down their currencies and of the repayments of part of the U.S. drawings on swap facilities arranged last year.

But no one in the market is yet rushing to talk about a turning point in the dollar's fortunes after the pressures of the last two years. There is still concern that the respite might be only temporary, though the rally so far has been in spite of a fall in Eurodollar rates and a rise in German interest rates.

The Electricity Council loan was due to be repaid in half-yearly instalments between the end of this year and 1984. It carried a floating rate coupon of ⅜ of a point above London interbank offered rates up to 1980 and of a ½ point above thereafter. Hence it is attracive to repay now on interest rate grounds while reducing the repayment bump in the right period.

This is the largest early repayment of debt for 12 months, apart from International Monetary Fund loans, and will affect the reserves in March and April. However, the impact will be offset in part by receipts from the remaining $131m due on the British Gas loan and the $250m Post Office issue in New York. But these are likely to be spread over the first half of 1979.

During January, new public sector borrowings amounted to $161m, including $105m on the British Gas issue and $56m from various EEC institutions for nationalised industries. This was partially offset by repayments of $39m.

Decline of Canadian dollar, Page2; EEC loans for power schemes, Page 4

York Trailer sues pickets

By Nick Garnett, Labour Staff

YORK TRAILER, one of Europe's largest manufacturers of truck trailers and containers, is claiming substantial damages against nine pickets involved in the lorry drivers' dispute.

The company has launched a law suit against the pickets individually for damages to cover losses it incurred during the dispute. The total damages claimed run into thousands of pounds.

The company says that picketing at its main plant at Northallerton, North Yorkshire, was carried out against lorries operated by companies not in dispute with the drivers. This affected deliveries of oil and other supplies and resulted in the factory's closure for about three days.

The High Court last week declared unlawful secondary picketing by a Transport and General Workers' Union shop steward against a United Biscuits supplier company.

In a similar decision yesterday, Mr. Justice Chapman granted Safeway Foodstores an injunction against Mr. William McSorley, said to have been involved in picketing at the company's Warrington distribution depot.

Government offers £70m aid to Dockland

BY PAUL TAYLOR

THE GOVERNMENT yesterday offered £70m in guarantees, loans and grants to encourage industrial and commercial developments in London's derelict docklands. But at the time, Mr. Peter Shore, Environment Secretary, confirmed in a Commons written answer that the Government would not support the £53m trade mart complex proposed for the area by Mr. Trammell Crow, a Texas businessman.

The decision drew an immediate attack from Mr. Horace Cutler, leader of the Greater London Council. He described it as "a crushing blow" to Dockland and accused the Government of "dithering" for five years over the trade mart plans. He called the package of aid for other projects camouflage, inasmuch as the power to make guarantees and loans already existed.

The cash being made available—up to £50m in guarantees and a further £20m in loans and grants over four years—will be for developments which are thought to be economically viable and would have been undertaken in the south east anyway.

The guarantees will be provided, if required, under the Selective Investment Scheme provisions of the Industry Act, 1972, while the grants and loans spread over four years from 1979-80 will be financed from within the Environment Department's expenditure limits. Announcing the deal, Mr. Shore emphasised that the scheme "in no way detracted from existing regional policies." During discussions on the proposals several institutional investors are believed to have expressed interest although no specific projects have yet been studied.

Mr. Shore said he would shortly be discussing the finance and the types of projects, with the Docklands Joint Committee—responsible for overseeing the redevelopment of docklands—and local authorities. Preference is expected to be given to projects in Southwark, where the trade mart was planned.

Mr. Shore said that "after careful consideration" the Government had told the Trammell Crow company that it was not prepared to provide guarantees totalling £43m for the trade mart project, because of uncertainties over its viability.

The trade mart was to have been built on a 133-acre site in Southwark providing about 1,000 permanent showrooms for manufacturers in the consumer industries and creating about 1,100 jobs. Mr. Trammell Crow would have put £5m of his own money into the project.

The Government decision not to provide financial backing for the project follows months of wrangling within Whitehall. The Government was thought to have been willing to reconsider the deal if Mr. Trammell Crow had been prepared to increase his financial commitment to the project substantially.

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Continued from Page 1

BL Cars

have already voted to take strike action.

BL Cars said last night: "It was made clear during the secret ballot in December, that implementation of the parity programme and national agreement depended on the additional costs being financed by increased labour efficiency. The company, at this crucial period in its recovery programme, cannot afford to make payments which have not been earned."

It added that the November strike at the Drews Lane, Coventry, components plant was primarily responsible for production targets being missed that month. December was better but still fell short of target.

BL insisted that the targets set for February and March were "realistic" and had been achieved many times in the past.

U.S. judge seeks ban on coffee company

BY DAVID LASCELLES IN NEW YORK

A U.S. JUDGE has recommended that a commodity futures trading subsidiary of the Guinness Peat Group be barred from trading on U.S. exchanges for failing to supply its clients' names to the market regulators.

The move, which grew out of the Commodities Futures Trading Commission's suspicions that coffee-producing countries were pushing up demand for coffee contracts, is bound to fuel the already heated debate about whether U.S. courts and Government agencies have authority over foreign companies abroad.

The subsidiary is Wiscope, S.A., based in Lausanne, Switzerland. It was one of a number of coffee futures traders approached last year by the Commission during its investigation of coffee trading following a survey which showed that 35 per cent of the "long interest" (net purchases) on the New York coffee and sugar exchange was held by coffee producing countries.

Wiscope refused to meet a Commission request for information about its clients on the grounds that this would violate Swiss secrecy laws.

The Swiss Government also objected to the Commission's direct approach to a Swiss company, after which the Commission proceeded through the State Department, but without success.

Company figures, Page 20

Weather

UK TODAY

DRY with sunny periods. Showers with sunny spells in North. Outbreaks of snow or sleet in parts of Scotland.

London, S., Cent. N. England, Channel Islands, S. Wales, E. Anglia, Midlands

Dry with sunny spells. Max. 5C (41F).

E., N.E. England, Borders, Edinburgh, Glasgow, Highlands, Moray Firth, N. Scotland, Scottish Islands

Cloudy, scattered outbreaks of sleet or snow. Max. 3C (37F).

N. Wales, N.W. England, Lakes, Isle of Man, S.W. Scotland, N. Ireland

Sunny intervals, scattered showers. Max. 3C (37F).

Outlook: Sunny spells with some rain, sleet or snow, mainly in North. Overnight frost and fog patches.

BUSINESS CENTRES

		Y'day midday °C	°F			Y'day midday °C	°F
Amsdm.	S	3	37	Mchstr.	S	2	36
Athens	C	13	55	Melbne.	S	37	99
Barcina.	C	13	55	Mex. C.	S	20	69
Belfast	S	1	34	Milan	R	3	37
Belgrd.	C	9	48	M'ntreal	S	—9	16
Berlin	R	3	37	Moscow	C	—3	27
Bmghm.	C	1	34	Munich	R	7	45
Bristol	S	2	36	Nwcstl.	F	0	32
Brussels	C	2	36	N. York	S	—2	28
Budpst.	C	7	45	Oslo	S	—8	18
B. Aires	S	28	83	Paris	R	5	41
Cairo	S	22	68	Perth	S	18	64
Cardiff	S	3	37	Prague	R	4	39
Chicago	C	—9	16	Reykjvk.	F	—5	23
Cologne	C	3	37	Rio J'o	C	25	77
Cpnhgn.	C	0	32	Rome	F	15	59
Dublin	S	2	36	Singapr.	S	28	82
Ednbrg.	C	1	34	Stckhm.	C	—1	30
Frankf't	R	5	41	Strasbg.	R	8	46
Geneva	R	9	48	Sydney	S	27	81
Glasgow	F	1	34	Tehran	C	2	36
Helsinki	Sn	0	32	Tel Aviv	S	17	63
H. Kong	C	13	55	Tokyo	C	9	48
Jo'burg	C	23	74	Toronto	S	—10	14
Lisbon	C	16	61	Vienna	C	4	39
London	C	4	39	Warsaw	C	2	36
Luxmbg.	C	6	43	Zurich	C	6	43
Madrid	C	11	52				

HOLIDAY RESORTS

Ajaccio	C	14	57	Jersey	C	5	41
Algiers	F	20	68	L. Plms.	S	21	70
Biarritz	R	13	55	Locarno	C	6	43
Blackp'l	S	2	36	Majorca	C	16	61
Bordx.	C	11	52	Malaga	C	16	61
Boulgn.	C	4	39	Malta	C	15	59
Cas'b'ca	F	19	66	Nairobi	C	20	68
Cape T.	S	27	81	Naples	R	12	54
Corfu	C	12	54	Nice	S	12	54
Dbrvnk.	C	9	48	Nicosia	S	15	59
Faro	C	17	63	Oporto	C	14	57
Florence	C	12	54	Rhodes	S	13	55
Funchal	S	21	70	Salzb'rg	F	6	43
Gibrltr.	R	16	61	Tangier	C	16	61
G'rnsey	C	5	41	Tenerife	S	20	68
Innsbrk.	C	3	37	Tunis	F	17	63
Invnss.	F	1	34	Valencia	C	15	59
I.o.Man	S	4	39	Venice	C	4	39
Istanbul	S	8	46				

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

THE LEX COLUMN

Ruffled feathers at Eagle Star

Eagle Star is not amused. Yesterday morning, its proposed cash offer of 44p per share for the 73 per cent of English Property Corporation which it does not already own was brusquely rejected. That prompted a stream of mixed metaphors about prodigal sons biting the hands that feed them. It also prompted Wereldhave, the wily Dutch bidder which started the bid auction back in December, to bump up its own from 37p to 46p per share cash. That was enough for Eagle Star, which has agreed to sell out its former protege at this price provided no one else comes up with anything better.

English Property vigorously denies that it has in any way attempted to take advantage of its biggest shareholder in order to see off the Dutchmen. It says that it has handed over all the information which Eagle Star required, and stuck to an agreed timetable. But there is no doubt that it has been cutting things fine: the first closing date of Wereldhave's original bid was next Monday, yet English Property has not yet come out with a formal defence document.

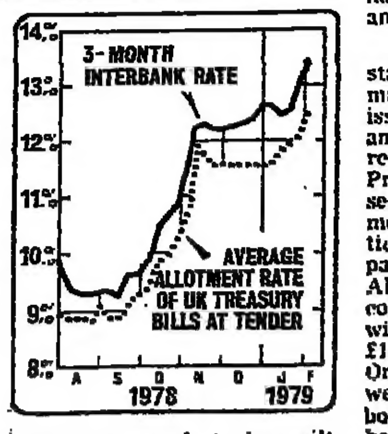
Its property revaluation, which is due to be published this weekend, will presumably hold few surprises for Eagle Star. And it is going to have a very uphill task in its efforts to persuade its other shareholders that what has always been regarded as its best friend has sold out too cheaply. It is just possible that the Seventh Cavalry could still show up in time — a third potential bidder has now shown its face, in the shape of a large private Canadian company called Olympia and York Developments. But discussions are still at a very preliminary stage, and this looks like a rather forlorn hope.

Equities

While the trend in gilt-edged has been in no doubt over the last few weeks, equities have maintained the finest of balances. When the FT 30-Share Index slipped down through 470 in mid-January it was widely expected to take a substantial tumble. But this week institutions have been buying in sufficient quantities to push the index back up towards that level.

The institutions still seem to regard the present level of share prices as reasonably inexpensive. Thanks to the clumsiness of official funding tactics,

Index fell 1.2 to 467.3



it is easy enough to buy gilt-edged in volume at the bottom of the market. But it can be impossible to find large lines of equities to buy when the equity market takes off. Fund managers are understandably anxious not to miss any boat. But they have yet to cope with problems—like a big company in difficulties—which could shake their nerves.

Peachey

According to the inspectors' report this week on Peachey Property, the company's auditors Price Waterhouse were surprised at the lack of comment after their decision to qualify the 1975 accounts, belatedly published in May 1976. The auditors' "very serious" reservations hardly raised an eyebrow in the City or in the financial Press. Why was this?

The inspectors' report does not make quite clear the circumstances in which the qualification appeared. The reference to doubts about information given concerning a missing £282,000 appeared as a short paragraph in the auditors' report following a longer paragraph expressing concern over property valuations totalling £2.8m. A reader could easily assume that the first qualification was ten times as important as the second; and it should be borne in mind that many other property companies at that time had serious qualifications to their accounts in respect of property values.

Moreover Sir Eric Miller had taken care to defuse the impact of the auditors' report. Some three weeks before the accounts were published Peachey had issued a special statement after board discussions "regarding the recovery of moneys which could involve legal proceedings." In his chairman's statement with the accounts Sir Eric had an explanation—that the expenditure of some £280,000 had been in connection with an abortive European venture.

According to the special statement on April 16, the matter had arisen "since the issue of the preliminary announcement." The inspectors' report now makes it clear that Price Waterhouse had been seeking explanations for many months concerning three particular items—a sum of £70,000 paid out to stockbrokers Lewis Altman, a diamond necklace costing £65,000, and a deposit with Keyser Ullmann of £130,000 plus accrued interest. Only the second and third items were, in fact, claimed at the board meeting on April 14 to have been linked to the European transaction.

Such a qualification appearing in the accounts of a major company would, of course, cause a stir. But Peachey was, and is, a comparatively small and unimportant property company. In the City and the property world it was well known that it was being run by a flamboyant figure with an over-lavish expense account (but he was by no means the only one). Evidence of the inadequacy of Peachey's shortcomings in financial controls was already there in plenty—it had, after all, taken 11 months to produce the 1974-75 accounts. Sir Eric was a newsworthy figure because of his associations with politicians and football clubs. But he was never of major financial importance.

The Press should have been more persistent. But if Price Waterhouse were not prepared to insist on much more detail being included in the accounts at the time, and were unwilling to contradict some of the claims being made by the company to shareholders it is hard to see how the story could have been cracked from the outside. The language of these qualifications has become so obscure that the full message is not being communicated to shareholders.

Which is not to say that the decision to qualify the accounts did not produce results. Clearly the diligence of the auditors put pressure on Sir Eric himself. It must also have concentrated the minds of the rest of the board—the potential threat to him was from within the company rather than from outsiders, and that was how the drama moved to its conclusion a year later.

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